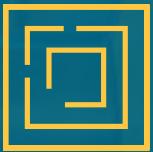


IDENTITY THAT CREATES VALUE

Annual Financial Report **2024**





Identity

Who we are is our anchor,
the roots that steady
our path.

Together, we face shared
challenges to find solutions
that serve everyone.

Our identity, our values,
and what we believe in shape
our path forward.

Cassa Centrale Banca Credito Cooperativo Italiano
Cooperative Banking Group

Annual Financial Report 2024

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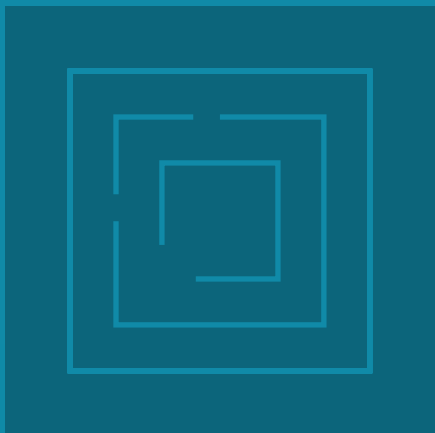
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01

Composition of the corporate bodies and officers

Cassa Centrale Banca

list of shareholders

Ordinary shareholders

ASSICURA Società Responsabilità Limitata
BANCA 360 CREDITO COOPERATIVO FVG - Società Cooperativa
BANCA ADRIA COLLI EUGANEI - CREDITO COOPERATIVO - Società Cooperativa
BANCA CENTRO CALABRIA - CREDITO COOPERATIVA - Società Cooperativa
BANCA CENTRO EMILIA - CREDITO COOPERATIVO - Società Cooperativa
BANCA CENTRO LAZIO CREDITO COOPERATIVO - Società Cooperativa
BANCA DEL TERRITORIO LOMBARDO CREDITO COOPERATIVO - Società Cooperativa
BANCA DELL'ALTA MURGIA CREDITO COOPERATIVO - Società Cooperativa
BANCA DI BOLOGNA CREDITO COOPERATIVO - Società Cooperativa
BANCA DI CARAGLIO, DEL CUNEESE E DELLA RIVIERA DEI FIORI - CREDITO COOPERATIVO - Società Cooperativa
BANCA DI CREDITO COOPERATIVO - LODI - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI ABRUZZI E MOLISE - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DEI CASTELLI E DEGLI IBLEI - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DEI CASTELLI ROMANI E DEL TUSCOLO - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DEL CIRCEO E PRIVERNATE - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DELLA ROMAGNA OCCIDENTALE - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI ALBEROBELLO, SAMMICHELE E MONOPOLI - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI ANAGNI - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI AQUARA - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI BARLASSINA - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI BRESCIA - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI CASSANO DELLE MURGE E TOLVE - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI CHERASCO - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI CONVERSANO - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI FLUMERI - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI LOCOROTONDO CASSA RURALE E ARTIGIANA - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI PIANFEI E ROCCA DE' BALDI - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI SAN GIOVANNI ROTONDO - Società Cooperativa

BANCA DI CREDITO COOPERATIVO DI SAN MARZANO DI SAN GIUSEPPE - TARANTO - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI SARSINA - Società Cooperativa
BANCA DI CREDITO COOPERATIVO DI SPELLO E DEL VELINO - Società Cooperativa
BANCA DI CREDITO COOPERATIVO LA RISCOSSA DI REGALBUTO - Società Cooperativa
BANCA DI CREDITO COOPERATIVO VALDOSTANA - COOPERATIVE DE CREDIT VALDOTAINE - Società Cooperativa
BANCA LAZIO NORD CREDITO COOPERATIVO - Società Cooperativa per azioni
BANCA MALATESTIANA - CREDITO COOPERATIVO - Società Cooperativa
BANCA MONTE PRUNO - CREDITO COOPERATIVO DI FISCIANO, ROSCIGNO E LAURINO - Società Cooperativa
BANCA PER IL TRENTINO ALTO ADIGE - BANK FÜR TRENTINO-SÜDTIROL - Credito Cooperativo Italiano - Società Cooperativa
BANCA PREALPI SANBIAGIO CREDITO COOPERATIVO - Società Cooperativa
BANCA TERRITORI DEL MONVISO - CREDITO COOPERATIVO DI CASALGRASSO E SANT'ALBANO STURA - Società Cooperativa
BANCO MARCHIGIANO Credito Cooperativo - Società Cooperativa
BCC CALABRIA NORD - CREDITO COOPERATIVO - Società Cooperativa
BCC FELSINEA - BANCA DI CREDITO COOPERATIVO DAL 1902 - Società Cooperativa
BENE BANCA CREDITO COOPERATIVO DI BENE VAGIENNA (CUNEO) - Società Cooperativa
BVR BANCA VENETO CENTRALE CREDITO COOPERATIVO ITALIANO - Società Cooperativa
CASSA PADANA BANCA DI CREDITO COOPERATIVO - Società Cooperativa
CASSA RAIFFEISEN DI SAN MARTINO IN PASSIRIA - RAIFFEISENKASSEN ST. MARTIN IN PASSEIER - Società Cooperativa
CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - Società Cooperativa
CASSA RURALE ALTOGARDA - ROVERETO - BANCA DI CREDITO COOPERATIVO - Società Cooperativa
CASSA RURALE DI LEDRO - BANCA DI CREDITO COOPERATIVO - Società Cooperativa
CASSA RURALE ED ARTIGIANA DI BORGO SAN GIACOMO (BRESCIA) - CREDITO COOPERATIVO - Società Cooperativa
CASSA RURALE ED ARTIGIANA DI BOVES - BANCA DI CREDITO COOPERATIVO (BOVES-CUNEO) - Società Cooperativa
CASSA RURALE RENON - RAIFFEISENKASSE RITTEN - Società Cooperativa
CASSA RURALE VAL DI Fiemme - BANCA DI CREDITO COOPERATIVO - Società Cooperativa
CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - Società Cooperativa
CASSA RURALE VAL DI SOLE - BANCA DI CREDITO COOPERATIVO - Società Cooperativa
CASSA RURALE VALLAGARINA - BANCA DI CREDITO COOPERATIVO - Società Cooperativa
CASSA RURALE VALSUGANA E TESINO - BANCA DI CREDITO COOPERATIVO - Società Cooperativa
CASTAGNETO BANCA 1910 - CREDITO COOPERATIVO - Società Cooperativa
CAVIT - Cantina Viticoltori Consorzio Cantine Sociali del Trentino - Società Cooperativa

CON.SOLIDA - Società Cooperativa Sociale
CONSORZIO LAVORO AMBIENTE - Società Cooperativa
CONSORZIO MELINDA - Società Cooperativa Agricola
CORTINABANCA - CREDITO COOPERATIVO - Società Cooperativa
CREDITO COOPERATIVO - CASSA RURALE ED ARTIGIANA DEL FRIULI VENEZIA GIULIA - Società Cooperativa
DZ BANK AG DEUTSCHE ZENTRALGENOSSENSCHAFTSBANK FRANKFURT AM MAIN
FEDERAZIONE DEL NORD EST CREDITO COOPERATIVO ITALIANO - Società Cooperativa
FEDERAZIONE DELLE BCC DEL FRIULI VENEZIA GIULIA - Società a Responsabilità Limitata
FEDERAZIONE TRENTINA DELLA COOPERAZIONE - Società Cooperativa
FONDO COMUNE DELLE CASSE RURALI TRENTINE - Società Cooperativa
FPB CASSA DI FASSA PRIMIERO BELLUNO - BANCA DI CREDITO COOPERATIVO - Società Cooperativa
LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - Società Cooperativa
PRIMACASSA - CREDITO COOPERATIVO FVG - Società Cooperativa
PROMOCOOP TRENTINA - Società per Azioni
ROMAGNABANCA CREDITO COOPERATIVO ROMAGNA EST E SALA DI CESENATICO - Società Cooperativa
SAIT CONSORZIO DELLE COOPERATIVE DI CONSUMO TRENTINE - Società Cooperativa
SICILBANCA CREDITO COOPERATIVO ITALIANO - Società Cooperativa
TRENTINGRANA CONSORZIO DEI CASEIFICI SOCIALI E DEI PRODUTTORI LATTE TRENTINI - Società Cooperativa Agricola
ZKB ZADRUŽNA KRAŠKA BANKA TRST GORICA ZADRUGA ZKB CREDITO COOPERATIVO DI TRIESTE E GORIZIA - Società Cooperativa

Preference shareholders

BANCA IFIS - Società per Azioni
BANCA POPOLARE ETICA - Società Cooperativa per Azioni
CAMERA DI COMMERCIO INDUSTRIA ARTIGIANATO TURISMO E AGRICOLTURA DI TRENTO - C.C.I.A.T.A.
CASSA RAIFFEISEN BASSA VENOSTA - Società Cooperativa
CASSA RAIFFEISEN DELLA VAL PASSIRIA - Società Cooperativa
CASSA RAIFFEISEN DI SAN MARTINO IN PASSIRIA - RAIFFEISENKASSEN ST. MARTIN IN PASSEIER - Società Cooperativa
COOPERATIVA PROVINCIALE GARANZIA FIDI - Società Cooperativa
DZ BANK AG DEUTSCHE ZENTRALGENOSSENSCHAFTSBANK FRANKFURT AM MAIN
MEDIOCREDITO TRENTINO-ALTO ADIGE - Società per Azioni
PROMOCOOP TRENTINA - Società per Azioni
PROVINCIA AUTONOMA DI TRENTO

Corporate officers and Independent Auditors

Board of Directors

Giorgio Fracalossi	CHAIRPERSON
Sandro Bolognesi	CHIEF EXECUTIVE OFFICER
Carlo Antiga	ACTING DEPUTY CHAIRPERSON
Enrica Cavalli	DEPUTY CHAIRPERSON
Paola Brighi	INDEPENDENT DIRECTOR
Isabella Chiodi	INDEPENDENT DIRECTOR
Carmela Rita D'Aleo	EXECUTIVE DIRECTOR AND AML OFFICER
Maria Luisa Di Battista	INDEPENDENT DIRECTOR
Emanuele di Palma	EXECUTIVE DIRECTOR
Amelio Lulli	NON-EXECUTIVE DIRECTOR
Enrico Macri	INDEPENDENT DIRECTOR
Giorgio Pasolini	NON-EXECUTIVE DIRECTOR
Claudio Ramsperger	EXECUTIVE DIRECTOR
Livio Tomatis	NON-EXECUTIVE DIRECTOR
Roberto Tonca	EXECUTIVE DIRECTOR

Board of Statutory Auditors

Pierpaolo Singer	CHAIRPERSON
Lara Castelli	STANDING AUDITOR
Mariella Rutigliano	STANDING AUDITOR
Elisabetta Caldirola	ALTERNATE AUDITOR
Maurizio Giuseppe Grosso	ALTERNATE AUDITOR

General Management

Sandro Bolognesi	GENERAL MANAGER
Enrico Salvetta	ACTING DEPUTY GENERAL MANAGER

Independent Auditors

DELOITTE & TOUCHE S.p.A.

Executive Committee

Sandro Bolognesi	CHAIRPERSON
Emanuele di Palma	MEMBER
Carmela Rita D'Aleo	MEMBER
Claudio Ramsperger	MEMBER
Roberto Tonca	MEMBER

Risks and Sustainability Committee

Maria Luisa Di Battista	CHAIRPERSON
Paola Brighi	MEMBER
Isabella Chiodi	MEMBER
Giorgio Pasolini	MEMBER
Livio Tomatis	MEMBER

Appointments Committee

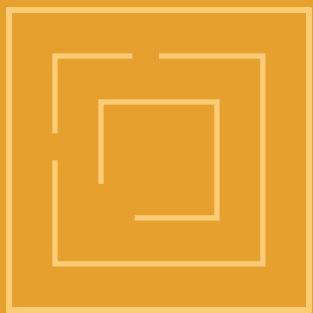
Enrico Macri	CHAIRPERSON
Maria Luisa Di Battista	MEMBER
Amelio Lulli	MEMBER

Remuneration Committee

Isabella Chiodi	CHAIRPERSON
Enrico Macri	MEMBER
Amelio Lulli	MEMBER

Independent Directors Committee

Paola Brighi	CHAIRPERSON
Maria Luisa Di Battista	MEMBER
Enrico Macri	MEMBER



02

Report and Consolidated Financial Statements of the Cassa Centrale Group

Letter to the Shareholders

Dear Shareholders,

2024 has been a very positive year for our Group, which has once again confirmed its ability to achieve outstanding results and maintain the trust of shareholders and customers. Significant growth in volumes traded, together with the economic situation, has enabled us to post the best annual financial result since the Group was established and further strengthen our equity position, reaching the top levels of the banking system.

Growth in financial variables has gone hand in hand with a stronger commitment to environmental and social sustainability, formalised through the renewal of our membership of the United Nations Global Compact.

2024 also marked three important anniversaries: the 50th anniversary of establishment of Cassa Centrale Banca, the fifth of establishment of the Cooperative Banking Group, and the 25th of our asset management company, NEAM. These are important milestones in the life of our Group, which provided an opportunity, together with citizens and Group colleagues, to confirm the relevance of our original service model founded on a close connection with stakeholders and pursuit of the common good.

A constant focus on more than 12,000 colleagues who work in the Group reflects an organisational culture centred around well-being and motivation. We have long considered investment in human resources to be an enabling factor of our model for sustainable growth, as it translates into tangible results for our communities.

In this context, we are striving to build an inclusive working environment that champions diversity. One important step in this direction was taken in 2024, when the Parent Company and many affiliated companies and banks gained UNI PDR 125:2022 certification for gender equality. Furthermore, in 2024, the National Collective Labour Agreement (CCNL) for Middle Managers and Staff of the Professional Areas of Cooperative Credit Banks – Rural and Artisan Banks was renewed.

For the first year, and in compliance with the obligations deriving from the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS), consolidated sustainability reporting has been prepared, included in the Report on Operations. This is a regulatory alignment that represents a significant step towards greater transparency in the communication of ESG performance and the integration of sustainability goals into corporate strategy.

We have proceeded with the implementation of initiatives aimed at reducing the environmental impact of our operations, exceeding 97% certified green energy and, for the first time, we have estimated our Category 15 Scope 3 emissions, regarding investments and other categories to be reported, thus extending the scope of measurement and monitoring of emissions generated throughout the Group's value chain, particularly in relation to the loan portfolio, which will be subject to reduction strategies.

We have also strengthened our range of financial solutions to support businesses in the process of ecological and digital transition, and to guide customers towards sustainable investments.

In October, we successfully completed the first GSS (Green Social Sustainable) certified bond issue, aimed at customers of the Cooperative Banking Group and further reinforcing our commitment to sustainable finance. This commitment can also be seen in the offer of family mortgage products focused on the transition to more sustainable homes that are suitably equipped to face climate change.

In 2024, we continued to support economic and social development with more than 20,000 investments for a total of over EUR 52 million. These widespread initiatives have significant impacts, particularly in small communities.

Following the success of the October 2023 launch, 2024 saw the second and third editions of the institutional communication campaign aimed at consolidating the updated identity of the Cassa Centrale Group with the slogan "Founded on common good".

In a banking context marked by the progressive reduction in physical branches, the Cassa Centrale Group has maintained its local presence, with 22 branches opened in 2024. The Group has reaffirmed its commitment to guarantee access to financial services even in less densely populated areas, with points of contact in 1,086 municipalities and, for 329 of these, we represent the only banking presence. Furthermore, 293 access points are located in municipalities with less than 3,000 inhabitants.

This local presence translates into a direct and ongoing relationship with communities, facilitating dialogue with local administrative bodies, which often consult Affiliated Banks regarding requests for essential banking services, such as the installation of ATMs, maintenance of physical access points and support for local initiatives.

On the governance front, important work to review the standard bylaws of Affiliated Banks has been completed. This involved various changes to align the bylaws with current regulations in force and the Group's own regulations, enabling greater uniformity of the Bylaws of the Affiliated Banks and improvement of specific governance profiles.

At the end of June, we approved the update to the Group Strategic Plan for the years 2024-2027. The Plan sets ambitious targets within our independent process of growth, through four key areas of action: business development, increased operational efficiency, risk management, and the enabling factors of technology and human capital. A Digital Transformation Plan and Sustainability Plan were defined for the same period, 2024-2027, shaped to work in synergy with initiatives of the Strategic Plan.

The Sustainability Plan defined the Group's ESG strategy, which harnesses the distinctive characteristics of cooperative banking and sets the goal of supporting the customers and communities in which it operates through the process of environmental and social transition. Green financing for businesses and private customers, together with a broader offer of sustainable investment products and solutions is supported by a commitment to mitigate environmental and social impacts throughout the value chain and reduce the carbon footprint of the business and its portfolios in line with net-zero targets.

The strategy of the Digital Transformation Plan falls within the scope of efforts to strengthen the role of branches, increasing the efficacy of customer relationships, including through the use of digital tools that enable the Group to face future challenges, adopting simplified products and processes, ongoing development of digital skills and the use of new technologies.

Looking at the economic and financial results, our Group's capital ratios sit at the highest levels of the Italian banking sector (CET1 ratio of 26.82% at 31 December 2024) and traded volumes place it amongst the leading Italian banking groups. Overall funding exceeded EUR 120 billion, of which EUR 73 billion in direct funding (+6.2% in the year) and EUR 49 billion of indirect funding (+11%) and net loans to customer grew to over EUR 48 billion (+1.5%), thanks to an acceleration in the dynamic of new disbursements, totalling EUR 8.6 billion (+6.3%).

These figures confirm the importance of the Cassa Centrale Group in supporting the financial needs of households and SMEs in the operating regions.

The combined effect of the growth of performing loans, continued de-risking activity and maintenance of high levels of coverage, determined further improvement in the gross NPL ratio, which came down to 3.5% (from 4.2% in 2023), and confirmation of the net NPL ratio, at 0.7%.

Liquidity indicators remain well beyond regulatory requirements, with an LCR of 292% and NSFR of 180%.

Significant growth continues in economic results: Group net profit is EUR 1.168 billion (compared to EUR 871 billion in 2023). Net interest and other banking income exceeded EUR 3 billion (+7.1% on 2023) thanks to the net interest income component (EUR 2.456 billion, +2.5%) and net fees and commissions component (EUR 837 million, +5% on 2023), and despite booking of EUR 272 million in net negative components deriving from repositioning of the securities portfolio. Operating costs amounted to EUR 1.773 billion (+2.9%) and reflect dynamics linked to renewal of the National Collective Labour Agreement (CCNL) and an increase in other administrative expenses for investments under the Strategic Plan, in particular technology and digital transformation.

The cost/income ratio net of extraordinary items was 53%, in line with that of the previous financial year.

Recognising the validity of our journey to this point, we are ready to future challenges facing the bank with determination, never losing sight of our roots and our core values, also recognised by the President of the Republic at celebrations of the 50th anniversary of Cassa Centrale Banca, and the fifth anniversary of the Group. We will continue to promote the distinctive qualities of our business in relation to all parties we engage with, giving clear meaning to the adjective "cooperative" that defines our Banking Group.

The results achieved to date, the solidity of the Group and the synergies consolidated with Affiliated Banks and Subsidiaries, enable us to look ahead with optimism to the challenges of a scenario characterised by great transformation. We will strive to harness this transformation for the well-being and development of local communities.

Report on Consolidated Operations of the Cassa Centrale Group

Profile, strategy and
financial results

1. Composition of the Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group

1.1 - The Cooperative Banking Group

The basis for the establishment of the Cassa Centrale Group, founded in January 2019, is a contractual relationship between the Parent Company and the individual Affiliated Banks, namely the Cohesion Contract.

By means of the Cohesion Contract (Art. 37-bis of the TUB), the Affiliated Banks and the Parent Company regulate their mutual duties, responsibilities, rights and joint and several guarantees deriving from membership and affiliation with the Cooperative Banking Group, in compliance with the mutualistic aims that characterise Cooperative Credit Banks and in application of the principle of proportionality exercised according to the health status of the Banks themselves (risk-based approach).

The Cohesion Contract provides, as a fundamental and constitutive element of the Group, for the joint and several guarantee of the obligations assumed by the Parent Company and the Affiliated Banks, in compliance with the prudential rules applicable to banking groups and individual member banks; this guarantee forms an integral part of the Cohesion Contract. Participation in the agreement is, in fact, an essential condition for adherence to the Cohesion Contract and therefore to the Cooperative Banking Group.

The guarantee between the Parent Company and the Affiliated Banks is reciprocal (cross-guarantee) and contractually regulated so as to have the effect of qualifying the liabilities of the Parent Company and the Affiliated Banks as joint and several obligations of all the parties to the agreement; in other words, all the Affiliated Banks and the Parent Company are obligated – both internally and externally – for all the obligations contracted by the Parent Company or any Affiliated Bank.

The Guarantee Agreement also provides for intra-group financial support mechanisms by which the members of the scheme provide each other with financial support to ensure solvency and liquidity; in particular, to comply with the prudential requirements and the requests of the Supervisory Authority, as well as to avoid, where necessary, being subject to the resolution procedures set out in Legislative Decree no. 180/2015 or to the compulsory liquidation procedure referred to in Articles 80 et seq. of the TUB.

For further details on the guarantee scheme, please refer to the “Report on the guarantee scheme” attached to the separate financial statements of Cassa Centrale Banca in the annual financial report 2024.

1.2 - Organisation and structure of the Group

The reform of Cooperative Credit allowed to further strengthen the role of local banks typical of Cooperative Credit Banks. The Parent Company’s coordination role made it possible to eliminate certain weaknesses in terms of capital or business model

that arose well before the Group's operational start-up. The new organisational structure has undoubtedly contributed to the immediate and positive response that the Affiliated Banks have provided to the economic fabric of reference in the current and challenging macroeconomic context, which has been affected by the ongoing geopolitical challenges.

The corporate governance system of the Parent Company Cassa Centrale Banca is based on the central role played by the Board of Directors, which is responsible for defining the Group's strategic guidelines, on the transparency and collegial nature of management decisions, the effectiveness of the internal control system and the strict governance of potential conflicts of interest.

With reference to the regulation of potential conflicts of interest, specific documents and processes (regulations, Group policies, line controls, second-level controls, etc.) were introduced in order to monitor the various types of risks related to the particular structure of the Cooperative Banking Group in which the Affiliated Banks, placed under the control of Cassa Centrale Banca by virtue of the Cohesion Contract, are at the same time shareholders of the Parent Company.

As at 31 December 2024, the Cassa Centrale Group consisted of:

- the Parent Company, Cassa Centrale Banca;
- the Affiliated Banks that have adhered to the Cohesion Contract and the instrumental companies controlled by them;
- the financial and instrumental Companies directly and/or indirectly controlled by the Parent Company.



The updated list of companies included in the scope of consolidation of the Cassa Centrale Group is provided in the Explanatory Notes (Part A – Accounting policies, section 3).

1.3 - Corporate governance

The Cassa Centrale Group, in line with legal and supervisory regulations and in order to ensure an appropriate balance of powers and a precise distinction between the functions of strategic supervision, management and control, has adopted a “tra-

ditional" system of governance, based on the distinction between the Board of Directors, which has a guidance and strategic supervision function, and the Board of Statutory Auditors, which has a control function.

Below is an overview of the main corporate bodies with guidance and governance functions. Details of the powers reserved for the control bodies are provided in the chapter called "Risk management and internal control system" in this Report.

Shareholders' Meeting

The Shareholders' Meeting is a deliberative and collective body designed to express the Bank's wishes and to resolve, in line with the dictates of Art. 2364 of the Italian Civil Code and Art. 13 of the Articles of Association, on the following matters:

- the appointment of the members of the Board of Directors and of the Board of Statutory Auditors and determination of their compensation and responsibilities;
- the approval of the financial statements and the allocation and distribution of profits;
- the appointment of the company responsible for externally auditing the accounts upon a reasoned but non-binding proposal by the Board of Statutory Auditors;
- the approval of Remuneration and Incentive Policies for the Bank's Directors, Board of Statutory Auditors and staff, approving any plans based on financial instruments and the criteria for determining the compensation of any Directors and relevant staff in the event of early termination of employment or office;
- the approval and amendment of any shareholders' meeting and voting regulations;
- the other matters assigned to its competence by the regulations in force at the time or by the Articles of Association.

The Board of Directors

The Board of Directors (hereinafter also referred to as the "BoD") is the body responsible for the strategic supervision and management of the company. For this purpose, the Board of Directors may carry out all the transactions that are necessary, useful or appropriate for implementation of the corporate purpose, whether they are ordinary or extraordinary in nature; the only exclusions are actions exclusively reserved by law and the Articles of Association to the Shareholders' Meeting.

The Board of Directors may delegate powers for the management of the Company to the Executive Committee and to the Chief Executive Officer, which exercise them in accordance with the general planning and strategic guidelines set by the Board of Directors.

The Board of Directors of Cassa Centrale Banca consists of 15 members, including 4 Directors who meet the independence requirements, the Chairperson and one or two Deputy Chairpersons (one of whom is the Acting Deputy Chairperson). The Directors — no more than 10 — must be chosen from among individuals employed by the affiliate banks, and specifically individuals who hold or who have held positions in the administration or general management of the Affiliate Banks or the general management of Cassa Centrale Banca. Lastly, with the aim of guaranteeing gender balance within the Board of Directors, at least one third of the Directors must belong to the least represented gender.

The Articles of Association assign the strategic supervision function to the Board of Directors, delegating the management function to the Executive Committee and the Chief Executive Officer, which also carries out the functions of the General Manager. The Articles of Association also govern the powers, assignments and areas of competence of the Board of Directors in its collective form, which cannot be delegated, and, conversely, the functions and areas of competence of the delegated bodies appointed by it.

Chairperson of the Board of Directors

Pursuant to Circular 285, the Chairperson of the Board of Directors performs a decisive role in ensuring the smooth functioning of the Board of Directors, fostering internal dialectics and ensuring the balance of powers, in line with the tasks relating to the organisation of the Board's work and the circulation of information assigned to it by the Italian Civil code.

Specifically, the Chairperson of the Board of Directors promotes the effective functioning of the corporate governance system, guaranteeing a balance of powers and acting as liaison with the internal control bodies and internal committees.

To effectively perform the duties of the position, the Chairperson may not have an executive role nor perform management functions.

In the event of absence or incapacity of the Chairperson of the Board of Directors, their functions shall be performed by the Senior Deputy Chairperson or, in the event of their absence or incapacity, by the other Deputy Chairperson. Before third parties the signature of the person replacing the Chairperson of the Board of Directors shall stand as evidence of their absence or incapacity.

Executive Committee

The Executive Committee, appointed by the Board of Director in the meeting of 30 May 2022, consisted of the Chief Executive Officer, who chairs it, and four Directors. Within the framework of the powers that the law and the Articles of Association do not reserve to the Board of Directors or to the Chief Executive Officer, the following matters are delegated to the Executive Committee:

- granting, classification and assessment of loans;
- real-estate transactions;
- issuing of debt instruments and transactions in financial instruments;
- implementation of corporate governance and risk management policies;
- internal organisation of the Company and the Cooperative Banking Group.

The Executive Committee also has the power to take in urgent circumstances decisions within the competence of the Board of Directors that are not reserved by law, by the Articles of Association or by provisions of the Cohesion Contract to the non-delegable competence of the Board of Directors, informing it in the next meeting.

Chief Executive Officer

The Board of Directors may appoint a Chief Executive Officer from among its members, to whom it entrusts the day-to-day management of the Parent Company in compliance with the general planning and strategic guidelines established by the Board of Directors. The Chief Executive Officer assumes the position and carries out the functions of General Manager pursuant to the Articles of Association.

With the resolution of 21 July 2022, the Chief Executive Officer was also granted powers in the following areas: Human Resources and Operational and Strategic Planning, Governance of the Subsidiary Banks and of investee companies other than the Affiliated Banks, powers to authorise real estate and equity investment transactions, judicial powers, and powers of representation.

Without prejudice to the competences assigned by the Articles of Association, in exceptionally urgent circumstances, after consulting the Chairperson of the Board of Directors, the Chief Executive Officer may take decisions on any transaction within the competence of the Executive Committee, provided they are not assigned by the mandatory provisions of the law or by provisions

of the Articles of Association to the authority of the Board of Directors and of the Executive Committee as a whole. Decisions taken in this way must be reported to the Board of Directors and to the Executive Committee at the next meeting.

The Chief Executive Officer reports to the Board of Directors and to the Executive Committee, at least once a quarter, on the general management performance and its foreseeable outlook, as well as on the most significant transactions carried out by the Parent Company and the Group Companies.

The General Management of Cassa Centrale Banca consists of the General Manager, who is the Chief Executive Officer, assisted by a Senior Deputy General Manager. If the General Manager should be absent or otherwise prevented from attending, their duties are undertaken by the Senior Deputy General Manager and, if they should also be absent or otherwise prevented from attending, by the executive or officer designated by the Board of Directors. In carrying out his duties, the General Manager can make use of a number of technical and operating committees set up to jointly study the most significant management aspects.

The CEO may authorise the waiver, also at the request of an individual Affiliated Bank, operating limits for the management of the real estate portfolio or strategic targets set out in the Group's Property Portfolio Management strategy and the Market, Interest Rate, Liquidity and Loan Risk Management Strategies.

Anti-Money Laundering Officer or AML Officer

The AML Officer is the main point of contact between the head of the anti-money laundering function and the bodies with strategic supervision and management functions, and ensures that both parties have the necessary information to fully understand the relevance of the money laundering risks to which the recipient is exposed, for the purpose of exercising their respective powers. This role was introduced into national regulation by the update to the "Provisions on organisation, procedures and internal controls" of the Bank of Italy, which came into force on 14 November 2023, transposing and implementing the "EBA Guidelines on policies and procedures in relation to compliance management and the role and responsibilities of the anti-money laundering officer" (EBA/GL/2022/05).

Board Committees

In line with the provisions of article 31 of the Articles of Association, and in compliance with the provisions of Circular 285, the Board of Directors established Committees required by current regulations, made up of its members and formed by a minimum of 3 (three) and a maximum of 5 (five) non-executive Directors, the majority of whom are independent. In addition to said Committees, the Board of Directors established the Independent Directors' Committee.

Specifically:

- The **Appointments Committee** conducts investigations and provides advice to the Board of Directors on appointment of the members and on the composition of the Board of Directors of the Parent Company and, where required, of the Affiliate Banks, when the responsibility rests with the Board. It carries out the other duties assigned to it by regulations in force and/or by the Board of Directors.
- The **Remuneration Committee** submits proposals and provides advice on the fees and on the remuneration and incentive systems to be adopted by the Parent Company and, where required, by the Affiliate Banks, and carries out the other duties assigned to it by regulations in force and by the Board of Directors.
- The **Risks and Sustainability Committee** is responsible for the tasks assigned to it by the regulations in force from time to time and by the Board of Directors, also with regard to the Affiliated Banks and, in particular, it performs support functions for the Parent Company's corporate bodies with regard to risks and the internal control system, paying particular attention to all activities that are instrumental and necessary for the Parent Company's Board of Directors to arrive at a correct and effective determination of the Risk Appetite Framework (RAF) and risk management policies. The Sustainability and Identity Committee was merged into the Risks Committee, giving the latter an investigative, propositional and advisory role with regard to evaluations and decisions on matters of sustainability and the cooperative identity.

- the **Independent Directors Committee** performs the tasks set forth in Circular 285 on the subject of decision-making procedures relating to related-party transactions, as well as on the subject of equity investments held by banks and banking groups.

It should also be noted that, on the basis of the reference regulations, the Independent Directors meet separately from the other members of the Board of Directors periodically, at least once year, to discuss relevant issues.

For further information and a detailed description of the corporate governance system, please refer to the "Corporate Governance Project" available on the Cassa Centrale Banca website at www.cassacentrale.it, in the "Governance" section.

Self-Assessment of the Governance Bodies

The Cassa Centrale Banca Procedures for assessing Member suitability, Self-assessment of the Bodies and appointments within the Subsidiaries, adopted by the Board of Directors on 26 May 2022 identifies, in compliance with the provisions of Title IV, Chapter 1, Section VI of Bank of Italy Circular no. 285 of 17 December 2013, as subsequently amended, on corporate governance the methods and tools on which the self-assessment process is based with regard to the composition and functioning of the Corporate Bodies of Cassa Centrale Banca.

The Cassa Centrale Group is among the largest and most complex banks in Italy and is therefore subject to the supervision of the European Central Bank. In drafting the Cassa Centrale Banca Corporate Body self-assessment process regulation, the instructions of the European Banking Authority and the European Central Bank were therefore also taken into account.

The periodic self-assessment process is meant to achieve the following goals:

- ensure verification of the proper and effective functioning of the Corporate Bodies and their adequate composition;
- guarantee substantial compliance with the Supervisory Provisions and applicable instructions from the European Banking Authority and the European Central Bank, as well as the purposes they intend to achieve;
- favour the updating of internal regulations governing the functioning of the Corporate Bodies, so as to ensure that they are suitable, also in light of changes due to developments in the business and the operating context;
- identify the main points of weakness, promote their discussion within the Corporate Bodies and define the corrective actions to be adopted;
- strengthen collaborative and trust-based relationships between the individual members of the Corporate Bodies and between the strategic supervision and management functions;
- encourage the active participation of individual members, ensuring complete awareness of the specific role performed by each and the associated responsibilities.

Cassa Centrale Banca carries out the various phases of the self-assessment process in compliance with the reference regulatory provisions and the implementation of the Group's planned strategic objectives.

There are five steps in the assessment process:

- preparatory activity;
- processing of data and information gathered;
- preparation of results;
- collegial review of results, followed by approval and corrective actions;
- auditing.

Considering that the Shareholders' Meeting for approval of the Financial Statements as at 31 December 2024 is elective, as both corporate bodies are due to change, the Board of Directors of Cassa Centrale considered it appropriate to give greater attention in 2024 Self-Assessment activity to aspects regarding the ideal composition of the Board, with its imminent renewal.

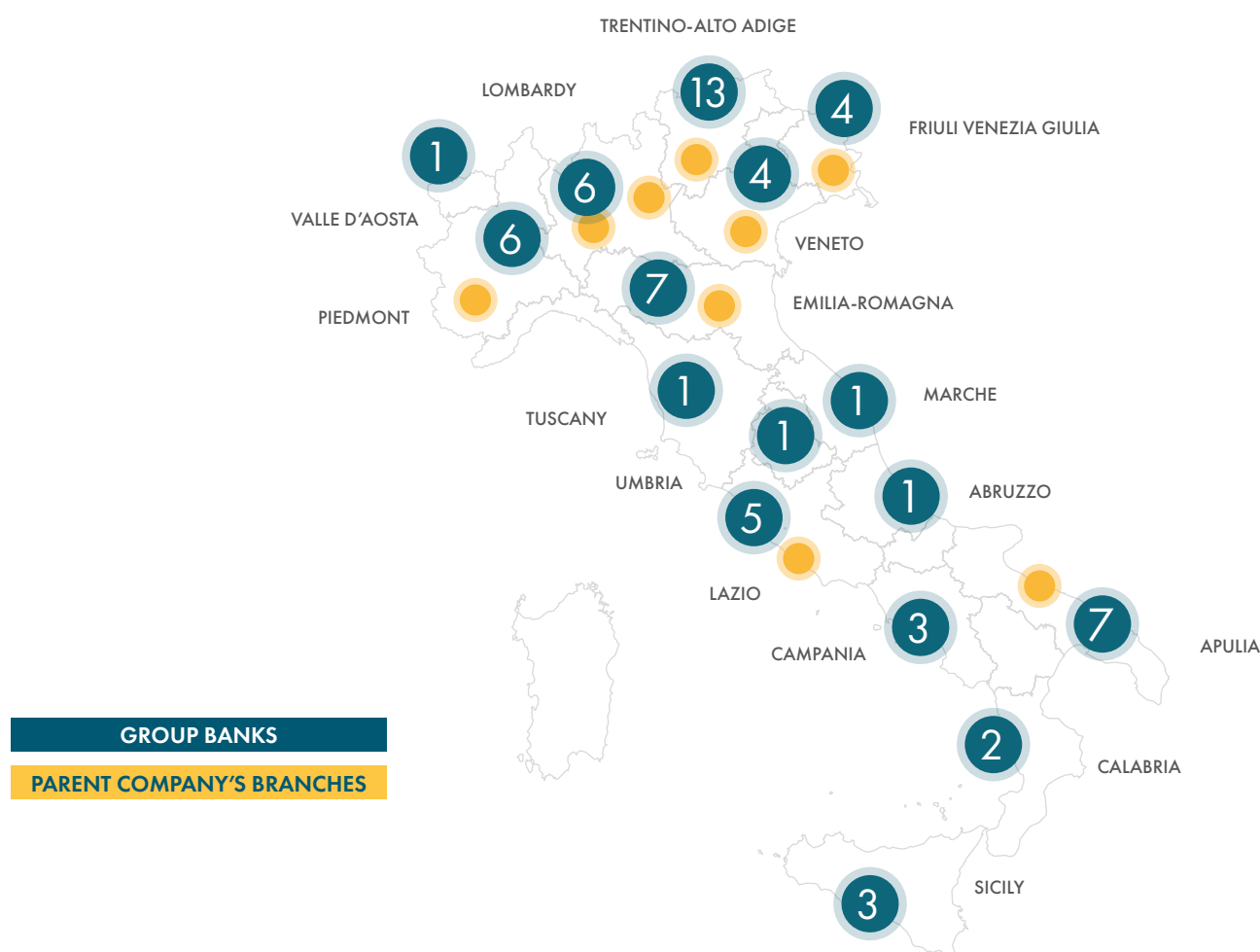
The results of the 2024 Self-Assessment showed an overall positive opinion on the composition and functioning of the Corporate Bodies. In particular, from analysis it emerged that:

- the size, degree of diversity and knowledge, expertise, skills and experience of the Body as a whole were considered to be adequate;
- the number and composition of the Board Committees are unilaterally considered to be effective and adequate for the performance of their respective functions;
- the figures of the Chair and Chief Executive Officer, at the head of the Board and the Bank's management structure, are respected for their authority, management expertise, attention and analysis of issues, leadership, readiness to listen and dialogue;
- the training plans aimed at the Board of Directors are positively appraised;
- considering imminent renewal in 2025, there are limit areas for improvement in terms of collective expertise of the Body, particularly regarding AML, ESG and cyber security, which the Board will consider for definition of optimal qualitative and quantitative composition.

1.4 - Presence on the territory

Even before taking on the role of Parent Company, since its establishment Cassa Centrale Banca has been a reference partner for Cooperative Credit and a number of small and medium-sized banks not belonging to banking groups, sharing their values, culture, strategies and reference model.

Acting as a second-level bank, it provided support and impetus to the activities of the BCC-CR-RAIKA members and customers, with an offer that they themselves recognised as innovative, competitive and of quality. The role of provider of high added value advisory services in sectors such as wealth management, structured finance, public treasury management, etc. was also significant.



The presence of the Cooperative Banking Group, with the consequent transition from a network integration to a group approach, allowed the Affiliated Banks to further strengthen their primary role as local banks at the service of the territory and communities. The Group's business model envisages a widespread presence in the territory and a strong attention to the relationship with the customer (typically households and small economic operators), the territory and local institutions. Local Shareholders' Meetings have the objective of allowing for maximum participation and collaboration on the part of all the Affiliated Banks, through constant dialogue with the Parent Company, leveraging the common purpose, the responsibility and effective and widespread communication, as well as the integrated development of the Group's culture and strategies.

The relationship based on ongoing dialogue and the active involvement of its stakeholders is an expression of the responsibility that the Cooperative Banking Group feels towards the territory in which it operates.

As at 31 December 2024, the Group's geographical presence is characterised by 65 Affiliate Banks with 1,491 branches located across Italy and 15 regional offices of the Parent Company.

PRESENCE ON THE TERRITORY	31/12/2024					Total 31/12/2024	Total 31/12/2023	Change
	Trentino- Alto Adige	North East	North West	Central	South and the Islands			
OFFICES								
Parent Company	7	2	3	2	1	15	14	1
Affiliated Banks	13	8	13	16	15	65	67	(2)
BRANCHES*								
Parent Company	1	0	0	0	0	1	1	0
Affiliated Banks**	284	326	368	323	189	1,490	1,479	11

* Data referring to branches with CAB code

** Data calculated by allocating the branches in the Area in which the office of the Affiliated Bank to which they report is located.

The special legal regulations, in relation to the mutualistic aims pursued, and the business model that characterises the BCC-CR-RAIKAs, are at the basis of the high number of members in the corporate structure. Cooperative Shareholders play a key role as they are a crucial resource for preserving the value of Cooperative Credit Banks. They are in fact the first customers, suppliers of their own equity, witnesses of the vitality of the company, as well as the creators of projects within the social and economic fabric.

As can be seen from the table below, the number of Shareholders as at 31 December 2024 is of over 488 thousand, mostly concentrated in the Central and North areas of the country and up by 13,594 compared to December 2023.

AREA	31/12/2024					Total 31/12/2024	Total 31/12/2023	Change
	Trentino- Alto Adige	North East	North West	Central	South and the Islands			
No. of Shareholders	135,043	97,925	119,479	103,322	32,281	488,050	474,456	13,594
% of total	27.67%	20.07%	24.48%	21.17%	6.61%	100.00%		

1.5 - Mission, values and business model of the Affiliated Banks and the Group

The affiliated BCC-CR-RAIKAs are local banks, established in the form of cooperative companies with prevalent mutuality. Consistent with the principles and values that inspired their birth and continue to guide current operations, they have always made a concrete contribution to the economic, social and cultural development of the communities they arise from.

For further details, please consult Sustainability Reporting.

2. Economic background

2.1 - International scenario and Italian context

In 2024, there was a global drop in inflation, enabling the main Central Banks to begin the process of relaxing restrictive monetary policy adopted in the months previous. Progressive rates cuts by the Central Banks took place with a backdrop of uncertainty regarding growth prospects, impacted globally by geopolitical tensions and the weakness of China. According to International Monetary Fund (IMF) forecasts updated to January 2025, growth in global GDP was 3.2% in 2024 and sat at 3.3% in 2025, in line with the value recorded in 2023. Inflation fell in 2024 to +5.7% YoY and is expected to continue down to +4.2% in 2025.

In the US, estimated growth in real GDP for 2024 is 2.8%. Again according to the IMF, in 2025 growth will remain at 2.7%, with less restrictive monetary policy and even more robust demand.

According to data published by the European Commission in November 2024, real GDP growth in the Eurozone is expected to be 0.8% for 2024, a significant increase compared to the 2023 figure of 0.4%. Expected growth rises from 1.3% in 2025 to 1.6% in 2026.

Inflation in the Euro area since the start of 2024 fell moderately, reaching 1.7% in September, before then rising in November to 2.3%, while a slow decrease in core inflation continues, with realignment against the 2% target held back by the services component. According to European-Commission estimates, overall inflation for countries in the Euro area will stand at 2.4% in 2024 before dropping to 2.1% in 2025 and to 1.9% in 2026. As for the labour market, a decrease is expected in unemployment to 6.5% in 2024 and a subsequent decrease to 6.3% in 2025 and in 2026, down from the previous estimate.

Where Italy is concerned, in the third quarter of 2024 there was GDP growth of +0.4% YoY and of 0.6% in terms of trend, driven by the positive contribution from final consumption and stocks. ISTAT estimates for 2024 show growth in GDP of 0.5% YoY, supported by foreign demand, while +0.8% is expected in 2025, driven primarily by domestic demand.

Again considering ISTAT figures, employment in Italy is greater than the GDP growth trend. In fact, an increase in employment is expected of +1.2% in 2024, while the two different dynamics should realign in 2025, with employment growth of 0.8%. The unemployment rate is expected to be at 6.5% in 2024 and 6.2% in 2025. Growth in private consumption, driven by the labour market and the increase in real wages, would lead to a slight acceleration of the corresponding growth rate in 2025, with +1.1%, following +0.6% in 2024.

Regarding normalisation of consumer prices, the inflation rate continued to come down, driven by a contraction in energy prices, although with slower change. In Italy, inflation continues to be lower than the leading economies in the Euro area: the harmonised consumer price index for November 2024 (+1.6% YoY with the provisional figure) is below the average for the Area of +2.3%.

2.2 - Financial and currency markets

In the first half of 2024, the main global banks maintained restrictive monetary policy adopted since 2022, with the aim of reducing inflation pressures, until and inversion of the trend and gradual easing of these measures during the second half of the year, with the progressive slowing in inflation.

Regarding its own budget policy, in 2024, the European Central Bank confirmed quantitative tightening, following gradual reduction of the asset purchase programme (APP), given that the capital of maturing securities will not be reinvested. In relation

to the pandemic emergency purchase programme (PEPP), after the full reinvestment of capital maturing in the first half of the year, Eurotower launched a reduction of approximately EUR 7.5 billion during the second half, before terminating reinvestment completely in December.

In the first three meeting of the year (25 January, 7 March and 11 April), the Governing Council, despite tracking a positive trend of convergence of inflation with the target rate, did not decide to reduce the amount monetary restriction. In fact, the Council maintained the three benchmark rates at record-high levels, confirming the main refinancing operations rate at 4.50%, the overnight deposit rate at 4.00% and the marginal lending rate at 4.75%.

During the monetary policy meeting on 6 June 2024, the Governing Council of the ECB decided to begin easing credit limitations after nine months of unaltered rates, announcing a cut of 25 basis points for all three key interest rates. After a pause at the following meeting of 18 July 2024, the European Central Bank introduced further cuts of 25 basis points for the overnight rate in each of the two subsequent meetings, on 12 September and 17 October. Decisions were guided both by confirmations of slowing inflation in the Eurozone and the first signs of slowing of the economic situation. The reduction in the main refinancing operations rate and the marginal lending rate was greater in September, when, on the 18 September 2024, the decision of the Governing Council of the ECB became effective regarding the closing of the gap between the benchmark rate for main refinancing operations and the overnight rate of the Central Bank, from 50 to 15 points. From this date, therefore, costs came down for refinancing through 7-day and three-month auctions, operations for which Frankfurt also confirmed the full-allotment model. Finally, during the monetary policy meeting in December 2024, the ECB decided to cut rates by a further 25 basis points, ending the year with the main refinancing operations rate at 3.15%, the overnight deposit rate at 3.00% and the marginal lending rate at 3.40%.

In the context of TLTRO-III, in 2024, the final four auctions of the programme reached maturity. Compared to the overall EUR 2,199 billion disbursed to banking counterparties in the eurozone as part of these operations, the final EUR 392.26 billion outstanding was repaid in 2024.

In the US, the Federal Reserve also slowly began a cycle of easing monetary policy in the second half of 2024. Having maintained interest rates on Federal Funds in the 5.25% to 5.50% range in the first part of the year, during the meeting of 18 September 2024, the FED applied an initial cut of 50 basis points, followed by two more 25 basis-point cuts in the November and December 2024 meetings. Interest rates on Federal Funds therefore ended the year between 4.25% and 4.50%.

Considering the difference in the rhythm of growth between the US and Europe, by the end of the year, the market demanded a more gradual reduction in FED rates than that adopted by the ECB. This dynamic was also seen in currency markets with the Dollar having strengthened significantly against the Euro in the final two months of the year. On the Forex market, the EUR/USD cross rate moved over the twelve months of 2024 from around 1.1050 to around 1.04, highlighting a clear recovery of the US currency compared to 2023.

Looking at the government bonds market, 2024 saw travel at two different speeds: in the first half uncertainty around the evolution of monetary policy drove up yields compared to the relative lows reached in December 2023. This moderate upward trend in yields continued until the start of the summer and peaked in June, alongside the results of the French elections.

During 2024, the 5Y BTP curve saw an upswing in returns climbing above 3.60% in June, before falling to 2.60% at the start of December. The ten-year curve saw the same rise, climbing above 4.10% at the start of July, before gradually falling to around 3.20% in December.

The fall in BTP yields in the second half of the year was accompanied by a compression of the BTP/Bund spread. The ten-year spread, after peaking in August around 150 basis points, then contracted, taking the differential below 110 basis points at the start of December, marking the lowest level since November 2021. This dynamic was tied to strong BTP demand, with increasing return of foreign investors, and to the difficulties experience by the Bund in the wake of political instability.

The climate of propensity to risk that favoured a reduction during the second half of the year in the credit spreads on the bond markets was also behind the widely positive performance of the stock markets. Receding fears of a recession caused by restric-

tive monetary policies and the expectation for a decrease in the rates in the second half of the year underpin the growth in the prices.

The main US stock index rose 26% from the start of 2024 to the end of November.

In line with performance of the main European stock markets, after the increase seen in the first quarter, the main Italian index saw a series of drops attributable to profit-taking, particularly at the beginning of August, before beginning to rise again at the start of December beyond 34,500 points. At sector level, the best performance came from bank securities and energy stocks.

2.3 Italian banking system

According to ABI data, direct funding of banks in Italy in 2024 was up 2.4% YoY, with the increase in customer deposits accompanied by growth in funding via bonds (+6.8% YoY). The average rate of bank funding, after reaching a peak during the year of around 1.27%, took a downturn in the final quarter with values just below levels recorded in December 2023 (1.17%).

In terms of loans, 2024 saw confirmation of the downward trend in loans to households and non-financial companies that began in 2023, although the degree of fall was limited in the second half, determining a YoY decrease of -1.0% as at December 2024. The weighted average rate for total loans to households and non-financial companies closed the year around 4.45%, down on levels at the end of 2023, with a decrease of more than 100 basis points in the rate for new loans to households for the purchase of homes.

With reference to credit quality, in 2024, a marginal increase was recorded in net impaired loans, which rose from EUR 30.5 billion in December 2023 to EUR 31.1 billion in November 2024, representing 1.51% of total loans.

3. Significant events during the year

The main events that occurred during financial year 2024 are shown below.

3.1 - Business combinations between Affiliated Banks

In 2024, two business combinations between Affiliated Banks were recorded, which brought the number of Affiliated Banks from 67 at the end of 2023 to 65 as at 31 December 2024:

- Cassa di Trento, Lavis, Mezzocorona, Valle di Cembra e Alta Vallagarina - Banca di Credito Cooperativo and Cassa Rurale Novella e Alta Anaunia - Banca di Credito Cooperativo: new name Banca per il Trentino Alto Adige - Bank für Trentino-Südtirol - Credito Cooperativo Italiano Società Cooperativa: effective 1 January 2024, Trentino-Alto Adige region.
- Banca del Veneto Centrale – Credito Cooperativo – Cooperative Company and BVR Banca – Banche Venete Riunite – Credito Cooperativo di Schio, Pedemonte, Roana e Vestenanova Cooperative Company: new name BVR Banca Veneto Centrale – Credito Cooperativo Italiano – Cooperative Company, effective 1 July 2024, Veneto region.

Business combinations between Affiliated Banks are part of the rationalisation of the regional control unit aimed at pursuing competitiveness and efficiency objectives. These transactions had no impact on the consolidated financial position as they are mergers between entities under common control.

3.2 - 2024-2027 Strategic Plan

On 26 June 2024, the Board of Directors of Cassa Centrale Banca approved the Strategic Plan (hereinafter also referred to as "SP") with a 2024-2027 time period, which updates the 2023-2026 SP approved last year.

The Plan was defined with the full involvement of the Affiliated Banks, as provided for in the Cohesion Contract, in a process whereby each legal entity of the Group defined its own individual SP, which then became part of the Group's consolidated SP.

The Strategic Plan identified four key areas of intervention:

- **business development**, supporting the regional bank service model by flanking the physical network and multi-channel aspect, focus on expansion of the customer base and offer for younger generations, completing the range of products and aligning it with the new ESG framework;
- **operating efficiency** through evolution of the organisational model, supporting the Group identity and pushing for the centralisation of activities in the Group's central structures;
- **focus on changes to the regulatory framework and internal control system** with growing use of technology to improve regulatory compliance and prudent management of current and prospective risks;
- **activation of enabling factors**, to be contextualised across the board, by developing and training human resources and constantly building on ICT investments.

Each area of intervention consists of specific strategic objectives and targeted initiatives for their achievement.

The economic-financial and equity projections confirm the solid capital and liquidity position of the Group, define an evolution in profitability through a sustainable growth path and full sustainability of the ICT investments required to guarantee adequate standards of service. Utmost attention is paid to actively managing credit risk and provisioning policies to face the many uncertainties characterising the current macroeconomic scenario.

The Group has adopted a so-called “rolling” logic in its strategic planning process, according to which the Plan is reviewed on an annual basis. This approach has been adopted taking into account that the Group has been operating since 2019 and is moving in a continuously and rapidly evolving market and regulatory environment.

3.3 - Impaired asset management and Group NPE strategy

In 2024, the Cassa Centrale Group, through the dedicated structures within the Parent Company and the Affiliated Banks, continued its careful monitoring of the quality of the loan portfolio and the management and reduction of impaired assets.

In this context, the Parent Company prepared the new NPE Strategy and the related Group Operating Plan, with a 2024-2026 time frame. The NPE Strategy and Operating Plan were presented for approval before the Board of Directors of the Parent Company on 28 March 2024 and subsequently sent to the ECB.

The NPE strategy was developed by maintaining a prudent approach in the estimate of impairment, whereas for the estimate of the default rate, as in previous strategies, the internal satellite model was adopted which factors in the baseline scenario of Prometeia, and which for the 2024-2026 three-year period returned a default rate considered more realistic since it was more in line with the trend recorded in previous years. According to this approach, the Group's NPE Strategy predicts an acceleration in terms of reduction in the gross NPL ratio, which, at the end of the plan, is expected to fall to 3.3%. With regard to coverage levels, on the strength of the coverage levels that the Cassa Centrale Group had reached by the end of 2023 (84.8%), NPE Strategy forecasts a physiological decrease in the index, nevertheless retaining a provisional level for 2026 of 74.3%, which appears to be somewhat higher than the figures of the Italian and European banking system. The combined effect of the reduction in the gross NPL ratio and the retention of a high coverage level on impaired loans will enable the Group to maintain a net NPL ratio of 0.9% at the end of the plan, lower than the average for the main Italian banking groups.

The final figures as at 31 December 2024 showed results beyond expectations, both in terms of the default rate, which was basically in line with the default rate for the previous financial year, and in terms of total downward flows. In 2024, the Cassa Centrale Group achieved a default rate of around 1.05%, which is therefore slightly lower than the 1.3% estimate calculated during preparation of the NPE Strategy. On the other hand, with regard to the recovery performance of impaired loans, in 2024, the total reductions deriving from internal workout (cure rate – collections and write-offs) were above expectations and that planned in the Strategy. Total performing loans increased by approximately EUR 650 million compared to the figure at the end of 2023, in line with expectations.

The combined effect of these dynamics on the entire loan portfolio led to the achievement as at 31 December 2024 of a gross NPL ratio of 3.5%¹ and a net NPL ratio of 0.7% against the targets for the end of 2024 of 3.7% and 0.8% respectively.

The positive performance, as regards the net NPL ratio, is also due to the maintenance of a prudent impaired exposures provision policy in view of the continuation of the macroeconomic uncertainty. This policy made it possible to maintain impaired exposure coverage of 80.9%, placing the Cassa Centrale Group among the top performers in Italy and Europe in terms of coverage ratio.

¹ The gross and net NPL ratios were calculated based on the EBA data model (“EBA methodological guidance on risk indicators”, last updated in October 2021).

3.4 – Transfers of non-performing positions

De-risking activity continued in 2024, primarily through execution of five multioriginator true sale transactions organised by the Parent Company. The main details of these transactions are provided below.

■ “Garait II” transaction

Portfolio composed of loans classified as UTP, primarily mortgage loans, with a GBV (Gross Book Value) of EUR 40.9 million originating from eight Group banks. The portfolio was awarded at a price of EUR 17.1 million and on 2 April 2024, following the signing of the transfer contracts and related completion, the portfolio itself was deconsolidated.

■ “NPLs XI” transaction

Portfolio composed of loans classified as non-performing, primarily mortgage loans, with a GBV (Gross Book Value) of EUR 66.7 million originating from 26 Group banks. The portfolio sold at a price of EUR 11.1 million. The contract for the transfer was signed on 05 August 2024, with consequent de-consolidation of the portfolio.

■ “MCC I” transaction

Portfolio composed of loans classified as UTP and non-performing, mostly covered by a State guarantee (MCC), with a GBV (Gross Book Value) of EUR 49.7 million originating from 12 Affiliated banks. The portfolio sold at a price of EUR 30 million and the contract for the transfer was signed on 24 September 2024, with consequent de-consolidation of the portfolio.

■ “MCC II” transaction

Portfolio composed of loans classified as UTP and non-performing, mostly covered by a State guarantee (MCC), with a GBV (Gross Book Value) of EUR 40.8 million originating from 10 Affiliated banks. The portfolio sold at a price of EUR 21.6 million and the contract for the transfer was signed on 23 December 2024, with consequent de-consolidation of the portfolio.

■ “NPLs XII” transaction

Two separate portfolios composed respectively of loans classified as UTP and non-performing, primarily mortgage loans. The GBV (Gross Book Value) of loans classified as UTP, originating from seven Affiliated Banks, is approximately EUR 33.9 million and the portfolio sold at a price of EUR 12.5 million. The GBV (Gross Book Value) of loans classified as non-performing, originating from 18 Affiliated Banks, is approximately EUR 43.6 million and the portfolio sold at a price of EUR 7 million. The contracts for transfer were signed on 23 December 2024, with consequent de-consolidation of both portfolios.

“FIA Persefone” transaction

In addition to the aforementioned true-sale transactions in 2024, there was a transfer of receivables, primarily made up of loans classified as UTP, to the Persefone Alternative Investment Fund. The transaction was finalised on 5 December 2024, with transfer of a loan portfolio with a total value of approximately EUR 13 million to the Caleen SPV securitisation special purpose vehicle, which had issued single-tranche notes subscribed by the fund. The value of the stakes allocated to the six Affiliated Banks involved in the transaction totalled EUR 8.2 million. The company managing the fund is P&G SGR S.p.A., based in Rome, the master servicer managing the contracts is Banca Finint S.p.A., and the special servicer appointed for the listing and management and recovery of loans is Fire S.p.A..

3.5 - ECB decision – Climate and environmental risks

On 17 January 2024, the Group received from the ECB Supervisory Authority a communication on the “Decision relating to the risk identification process for climate-related and environmental risks” (also known as the “ECB Decision”), in response to which, first and foremost, a document was formalised to assess the relevance of the climate-related and environmental risks compared to traditional risks – assessment significantly reinforced compared to the similar one conducted in 2023 – and focused on the impacts in terms of credit risk, market risk, operational risk, liquidity and loan risk, real estate portfolio risk, strategic and business risk, reputational, dispute and legal risks, broken down by economic activity, geography and Affiliated Banks of the Group – and, therefore, approved an impact assessment of the climate-related and environmental risks on the Group’s operating context.

These analysis documents represented fundamental input for defining the entrepreneurial strategy outlined in the renewed Strategic and Operating Plan for the management of climate-related and environmental risks, in terms of positioning in the sustainable finance market and strategy to be implemented in relation to the Group’s business lines (loans, investments and asset management, real estate management).

On 20 July 2024, through its “Feedback Letter on C&E Combined Decision”, the ECB Supervisory Authority notified the Group of the need to include the indicated aspects in the first quarter, with particular reference to non-climatic environmental risks. The Group therefore prepared the document “Addendum - Assessment of the significance and analysis of the operating context for monitoring of the impact of environmental risks”, in which it analyses the environmental risks in sectors, areas and services for the various time horizons, highlighting the competitive positioning of the Group in relation to competitors.

In general, climate-related and environmental risk factors are decisive for the various categories of risk identified and, considering a scale of four levels (not significant, partially significant, significant and highly significant) in the short term (2024-2026) are not significant, in the medium term (2027-2030) are partially significant, whereas they appear significant over the long term (2031-2050) mainly as a result of the impact on credit risk.

The impact of climate and environmental change on the Group’s operating context, including in relation to the individual drivers of change, is qualified (on a scale of four levels, “very positive”, “partially positive”, “partially negative”, “very negative”) as partially positive in the short term, very positive in the medium term and partially positive in the long term.

3.6 – Disputes

Parent Company

On 16 January 2020, the financial holding company Malacalza Investimenti S.r.l. (hereinafter also “Malacalza Investimenti”) brought a civil action against Carige, FITD, SVI and Cassa Centrale Banca, contesting the validity of the resolution to increase the share capital by EUR 700 million approved by the Shareholders of Banca Carige in the Shareholders’ Meeting of 20 September 2019 and submitting a claim for damages of over EUR 480 million (subsequently increased to approximately EUR 539 million), on account of the alleged hyperdilutive nature of the resolution (reducing Malacalza Investimenti’s shareholding from 27.555% to 2.016%).

The contested invalidity of the shareholders’ meeting resolution (which can no longer be annulled as it has already been executed, with the subscription by Cassa Centrale Banca of the capital increase and the acquisition of an 8.34% shareholding) is based on the allegedly unlawful exclusion of the option right, failure to comply with the principle of accounting parity and the determination of the issue price of the new shares in breach of the criteria laid down by company law.

The same defendants, including Cassa Centrale Banca, were then sued in two further disputes by the shareholder Vittorio Malacalza and 42 other shareholders of Carige, with a claim for a further approximate total of EUR 11.4 million, plus revaluation and interest, based on assumptions and arguments coinciding with those put forward by Malacalza Investimenti.

The proceedings ended with a judgement of 15 November 2021 by which the Court of Genoa, in acceptance of the claims of the defendants, ascertained the validity of the capital increase resolution adopted by Carige on 20 September 2019 and rejected the claims for damages brought by the plaintiffs, ordering the latter to pay the legal costs.

In December 2021, Malacalza Investimenti Srl, Malacalza Vittorio and 5 small shareholders out of the initial 42 appealed against the first-level ruling before the Court of Appeal of Genoa, (with a reduction of the claims for damages, as regards the latter, from approximately EUR 8.4 million to EUR 84 thousand).

Cassa Centrale Banca appeared in the three lawsuits pending before the Court of Appeal, which were subsequently combined. The proceeding is in its final stage.

As a result of the assessments carried out with the support of solicitors, considering the risk of losing the case, the decision was made not to allocate provisions for risks and expenses in line with the provisions of the IAS/IFRS international accounting standards.

Affiliated Banks

On 9 April 2024, Sicilbanca – Credito Cooperativo Italiano was issued, by representatives of a certain customer whose loan was classified as non-performing, a deed initiating proceedings before the Court of Catania aimed at claiming damages, for a significant amount, deriving from alleged unlawful conduct of the Bank on the basis that it had been involved in banking relationships with the same customer in the past. Have consulted the Parent Company, the bank promptly appointed a leading legal firm for its technical defence in court, rejecting the claims of the claimant on procedural and substantive grounds.

The first hearing took place on 4 November 2024. After having heard the parties, the examining magistrate retired to make his deliberations.

On 24 February 2025, the investigating magistrate, having communicated his considerations and provisions, postponed the hearing to 15 September 2025.

Currently, having evaluated the contents of the written defences submitted by the parties, and having considered the decisions of the Magistrate on the preliminary motions, which defined the documentary boundary and established the requirement for a court-appointed expert witness, considering the estimates and assessments of the Legal Firm appointed, the Board of Directors of the Bank considers that there is a plausible risk of losing the case.

As a result of the assessments carried out with the support of solicitors and considering the risk of losing the case, Cassa Centrale Banca decided not to make provisions for risks and expenses in line with IAS/IFRS international accounting standards.

3.7 - Rating updates

Morningstar DBRS

Following the periodic update conducted regarding creditworthiness, the ratings agency Morningstar DBRS, on 27 November 2024, increased the ratings of Cassa Centrale Banca, including the Long-Term Issuer Rating, which changed to BBB from BBB (low), altering the trend from positive to stable.

This rating took into consideration the increased profitability of the Cassa Centrale Group and the prospect of maintaining the increased capacity to generate profit, thanks to initiatives for the diversification of income streams and increased cost efficiency.

At the same time, the ratings agency highlighted that the extreme prudence of hedging policies for impaired loans and the high level of capitalisation, both significantly greater than average for the sector, place the Cooperative Banking Group in a strong position, ready to face any future risk scenarios.

Fitch Ratings

Following the periodic update conducted on creditworthiness, on 20 December 2024, the Fitch Ratings agency reviewed the rating outlook for Cassa Centrale Banca from stable to positive, confirming the Long-Term Issuer Default Rating of BBB-.

This change in the outlook took into consideration further improvement in capacity to diversify revenue streams and in profitability following initiatives adopted under the Strategic Plan to increase revenue from net fees and continually increase cost efficiency.

3.8 - MREL Requirement

As part of the regulatory framework for the recovery and resolution of credit institutions and investment firms (the so-called BRRD), the Single Resolution Board (or SRB) communicated in March 2024 to Cassa Centrale Banca, as the Group's resolution entity, the Minimum Requirement of Eligible Liabilities (MREL²) to be met at a consolidated level for Cassa Centrale Banca and at an individual level for the Affiliated Banks identified as Relevant Entities by the relevant regulations in the 2023 resolution cycle. The MREL Requirement, formulated in accordance with Article 12 bis, paragraph 2), letters a) and b), of Regulation (EU) no. 806/2014, defined as a percentage of the total risk exposure amount (MREL-TREA) and as a percentage of the leverage ratio exposure³ (MREL-LRE), was communicated by the Single Resolution Committee.

Given the general-hybrid approach adopted by the Single Resolution Committee, own funds on a consolidated basis shall be considered suitable to meet the consolidated MREL requirement, while the only eligible liabilities will be those issued directly by the Parent Company Cassa Centrale Banca (as the "central entity" of the Resolution Group) and that will comply with the eligibility conditions set out in Regulation no. 877/2019 ("SRMR2"). This consideration stems from the single-point-of-entry (SPE) Resolution Strategy defined by the Supervisory Authority for the Group, according to which resolution tools and powers would be applied exclusively to the Parent Company.

The minimum requirement for own funds and eligible liabilities on a consolidated basis, with which the Parent Company must comply, is 22.91% of the Total Risk Exposure Amount (TREA), to which the combined capital reserve requirement (CBR)⁴ should be added, and 5.91% of Leverage Ratio Exposure (LRE). The Parent Company is required to meet the above requirements from March 2024. There are no subordination requirements to meet the above targets.

At the reference date of 31 December 2024, Cassa Centrale Banca, on a consolidated basis, and the Affiliated Banks identified as relevant entities on an individual basis comply with the MREL requirement, both as a percentage of the total risk exposure amount (MREL-TREA) and as a percentage of the leverage ratio exposure (MREL-LRE).

² Specifically, the MREL requirement allows each intermediary, in case of resolution, to have an adequate amount of capital resources and other liabilities to absorb losses and replenish capital. It aims to preserve financial stability by promoting an orderly and effective crisis management system. Failure to meet the MREL requirement can have a negative impact on the loss-absorbing capacity and recapitalisation of institutions, as well as on the overall effectiveness of the resolution.

³ "Exposure to the leverage ratio" is the measure of total exposure calculated pursuant to Articles 429 and 429 bis of EU Regulation no. 575/2014.

⁴ Note that the CBR includes the Systemic Risk Buffer.

3.9 - European Central Bank inspection regarding interest rate risks for banking book (IRRBB) and credit spread risk arising from non-trading book activities (CSRBB)

On 12 July 2024, Cassa Centrale Group was notified of its inclusion in an inspection campaign launched the previous year by the European Central Bank. This focuses on Interest Rate Risk in the Banking Book (IRRBB) Credit Spread Risk in the Banking Book (CSRBB). The on-site inspection (OSI), which began on 16 September 2024, lasted for eight weeks and was completed on 8 November 2024.

The OSI looked at the following areas:

- methodology for quantification of economic value and interest margin, with specific analysis of the following aspects:
 - behavioural models (e.g. items on demand, prepayment, etc.);
 - CSRBB;
- current Group strategies, investment policies and any risk-mitigation policies (hedging);
- data quality, focused on the adequacy of processes for the reconciliation of risk data and financial-statement data.

The reporting phase began in mid-November and, the Group is therefore awaiting the draft inspection report, in order to proceed with the call for the exit meeting for discussion of the report and, subsequently prepare and send inspectors comments on the report (within two weeks of the exit meeting).

3.10 – First ITS report (individual and consolidated) on IRRBB scope for 30/09/2024

With Regulation 2024/855 published by the European Commission on 15 March 2024, banks received official communication to present IRRBB reports according to the ITS regulatory framework from 30 September 2024. In the context of the aforementioned process for alignment with the Implementing Technical Standards framework, the Cassa Centrale Group was involved in launch of a new reporting process which, considering its corporate structure, included all of the individual Affiliated Banks for the production and subsequent validation of individual and consolidated IRRBB reports. The new reporting framework involved completing a set of templates on a quarterly basis aimed at monitoring interest-rate risk, providing specific information on levels of EVE/NII SOT and MVC (Market Value Changes), details of NII and EVE sensitivity, repricing cash flows, significant parameters for behavioural models in use and other qualitative information.

All banks of the Cassa Centrale Group (and the Group at consolidated level) reported their individual and consolidated interest-rate risk (IRRBB) profile using the reporting framework provided by the relevant regulations (ITS) and in accordance with the specified time frames.

3.11 - European Central Bank credit and counterparty risk inspection

In January 2022, the ECB announced on-site inspection (OSI) beginning in March 2022, on credit and counterparty risk with the aim of assessing the compliance and implementation of IFRS 9. The audit focused on the segment of exposures to commercial real estate (exposures secured by commercial real estate), as part of a broader campaign of control and analyses conducted on the entire European banking system. The inspection team carried out a credit quality review on a sample group of positions and assessed the credit risk processes, including all ancillary aspects such as governance, credit processes, internal regulations, as well as the IFRS 9 models and rating systems adopted by the Group. The inspection was conducted between March 2022

and July 2022, with a focus on credit and counterparty risk and the aim to assess compliance and implementation of accounting standard IFRS 9.

The final report was provided on 6 June 2023 and includes the results of the inspection, namely the findings that will be discussed with the Supervisory Authority to define the related guidance and plan of expected maturities to be shared.

On 10 October 2023, the JST shared the definitive follow-up letter for the on-site inspection by the European Central Bank on the Group's Commercial Real Estate portfolio (so-called CRE OSI).

The Group then began drafting the remedial plan, namely the identification of the corrective measures required to achieve the recommendations in the follow-up letter, in order to guarantee their completion in accordance with the terms set out by the Supervisory Authority.

The remediation plan was then launched in November 2023. It provides for guidance of the main corrective actions in accordance with the deadlines required by the Supervisory Authority, which sees the Group involved in the activities until 2025.

Moreover, on 28 March 2023, the European Central Bank informed the Group of the start of an on-site inspection, as part of a broader campaign of control and analyses conducted on the entire European banking system, focused on credit and counterparty risk with reference to small and medium-sized enterprises (so-called Retail SME OSI).

The investigation phase began in June 2023 and ended in August. Considering the segmentation adopted by the Group as part of the rating systems and IFRS 9 models, the scope of the investigation was the Corporate portfolio, with a reference date of 31 December 2022.

The inspection team carried out a Credit File Review on a sample group of positions and assessed the credit risk processes, including all ancillary aspects such as governance, credit processes, control framework, internal regulations, as well as the IFRS 9 models and rating systems adopted by the Group.

On 14 November 2023, the draft of the end-of-audit report was shared, which summarised the main results of the inspection that were then confirmed in the definitive final report shared on 13 December.

The progress of the overall plan of remedial actions, currently in line with the agreed deadlines, is subject to quarterly reporting by the Parent Company to the Supervisory Authority.

3.12 – European Central Bank inspection on IT risk

In November 2022, the European Central Bank (ECB) completed an on-site IT risk audit, intended to assess the management of IT operations and IT projects, including any ancillary aspects related to this purpose and scope.

The outcome of the audit, communicated in early 2023, confirmed the correctness of the path undertaken, highlighting a number of points of concern and areas for improvement for which the Cassa Centrale Group took prompt action to define and implement an action plan to meet the expectations of the Supervisory Authority, which was completed in December 2024.

3.13 – European Central Bank inspection on internal governance and risk management

In January 2023, the ECB announced the initiation of an on-site internal governance and risk management audit. The audit, conducted starting from 20 March 2023, was completed at the end of June 2023.

In addition to examining and assessing the adequacy and quality of internal governance and risk management, the Supervisory Authority explored the Parent Company's ability to direct the Affiliated Banks, the management of internal regulations, the efficacy of processes to define the strategy of the Group as a whole, as well as the risk-based model.

In March 2024, the JST shared the definitive follow-up letter, which did not contain any particular critical concerns. The Group began identifying the corrective measures required to achieve the recommendations in the follow-up letter, in order to guarantee their completion in accordance with the terms set out by the Supervisory Authority (Group Action Plan).

All actions set out in the Action Plan were completed within the stated time frames. One activity is still progress, with deadline on 30 June 2025.

3.14 – Adoption of new Rating system and IFRS 9 models

In the context of the projects launched by the Group for alignment with EBA-LOM guidelines, in line with the plan to meet SREP requirements, review of risk and credit risk measurement systems was a central pillar.

On 31 October 2024, the Group adopted the new credit risk management systems composed of the internal rating system for management purposes and the IFRS 9 forms for determination of flat-rate write-downs of receivables.

The new documentation that replaces that previously in use:

- guarantees important elements of a methodological nature (acceptance rating applicable to new customers) and refines the overall risk measurement system with a more advanced approach;
- introduces the new overlay system for flat-rate provisions for performing loans;
- enables closure of certain findings flagged by the Supervisory Authority during previous inspections (see CRE OSI and Retail SME OSI in paragraph 3.11).

3.15 – CONSOB audit of the status of the MiFID II adjustment regarding product governance and assessing the appropriateness/adequacy of operations and related compliance audit

On 22 February 2023, CONSOB began auditing the Group's model for the provision of investment services. The audit focused on the status of the regulatory adjustment regarding investment services with specific reference to product governance and procedures to assess the appropriateness and adequacy of operations carried out on behalf of customers, as well as methods for subdividing and effectively performing compliance checks in the aforementioned areas.

Consob notified Cassa Centrale Banca of the end of the audit on 7 November 2023.

On 6 May 2024 Consob, in a specific communication sent, called the Corporate Representatives to a meeting which was held on 28 June 2024. During this meeting, the profiles summarised in the Technical Note attached to the aforesaid communication were discussed, and news was acquired of the resulting corrective initiatives. These were formalised in an official response, approved by the Board of Directors of the Parent Company during the meeting on 19 September 2024 and sent to Consob on 25 September 2024. Subsequently, on 18 December 2024, Consob sent a request for data and information on the corrective actions taken and further details, for which a response was sent on 6 February 2025.

3.16 – “Forbearance deep dive” by the European Central Bank

Following the in-depth examination conducted by the European Central Bank between October 2022 and January 2023, focusing on the forbearance process (Forbearance Deep Dive), the Cassa Centrale Banca Group received the follow-up letter from the JST on 11 May 2023, which summarised the supervisory recommendations to cover aspects for improvement found in this area.

The audit was conducted thoroughly across the entire existing forborne framework, in order to check its solidity and efficacy, as well as the adequacy of the policies and procedures on forbearance measures.

In June 2023, the Group launched the remedial plan designed to incorporate the Supervisory Authority’s suggestions to strengthen the forbearance framework, and guarantee compliance with the envisaged terms and deadlines.

The progress of the overall plan of remedial actions, currently in line with the agreed deadlines, is subject to quarterly reporting by the Parent Company to the Supervisory Authority.

3.17 – Bank of Italy inspection on Anti-Money-Laundering Department

From 11 November 2024 to 11 February 2025, Cassa Centrale Group underwent an anti-money-laundering inspection by the Bank of Italy. The Inspection Report is expected in May 2025. The inspection was aimed at assessing areas identified for follow-up by the 2021 inspection regarding AML/CFT, and verifying effective implementation of corrective actions. In the context of inspection activity, requests were also made to Affiliated Banks and Companies of the Banking Group.

3.18 – Targeted analysis on management body effectiveness and diversity by the European Central Bank

In October 2023, the European Central Bank completed analyses and assessments of the functioning, supervision and composition of the corporate bodies of Cassa Centrale Banca. This process drew to a close in September 2024, with suggestion of certain improvements to internal rules and processes for the appointment of personnel and remuneration, partly corresponding with the actions set out in the Action Plan mentioned in paragraph 3.13 “European Central Bank inspection on internal governance and risk management”.

3.19 - Targeted review on Cyber Resilience questionnaire

On 5 July 2023, the European Central Bank (ECB) requested that the significant institutions complete a questionnaire specifically designed to achieve a more detailed perspective of cyber resilience monitoring. This request aimed to integrate the findings made during the IT Risk Questionnaire as part of the SREP with more information about cyber risks.

The Authority’s initiative is part of a framework of growing and progressive attention towards cyber risks, which is widely covered in Regulation (EU) no. 2022/2554 (so-called DORA Regulation), as well as in the Cyber Resilience Stress Tests announced for 2024.

Following completion of the questionnaire, in March 2024, the ECB returned a feedback letter containing recommendations intended to remedy and/or improve the IT security reference framework, for which the Cassa Centrale Group took prompt action to define and implement an action plan intended to meet the expectations of the Supervisory Authority. Its completion is expected within the first quarter of 2026.

3.20 – Cyber Resilience Stress Test

The European Central Bank (ECB) involved the Cassa Centrale Group in the first of the Cyber Resilience Stress Tests announced during 2023, with the aim of assessing the level of implementation of the cyber resilience control measurements.

Specifically, the Cyber Resilience Stress Test launched on 2 January 2024 required a cyber incident simulation with an impact on the Group's core banking system, assuming that all preventive measures implemented had been circumvented or had failed, in order to verify the Group's capacity to react and manage the situation.

The assessment involved 109 financial entities, and on its completion, the Cassa Centrale Group filled out and returned the questionnaire forming part of the exercise, in accordance with the time frames set by the Supervisory Authority.

Following completion of the questionnaire, in July 2024, the ECB returned a Report containing the findings of the exercise, including recommendations aimed at remedying and/or improving the Group's ability to react to and recover from a cybersecurity event, for which the Cassa Centrale Group took prompt action to define and implement an action plan intended to meet the expectations of the Supervisory Authority. Its completion is expected within the first half of 2025.

3.21 – Update to the Equity Investments of Cassa Centrale Banca

Liquidation of Casse Rurali Raiffeisen Finanziaria S.p.A.

In April 2023, the Extraordinary Shareholders' Meeting of Casse Rurali Raiffeisen Finanziaria S.p.A. ("CCRFIN"), 50% owned by Cassa Centrale Banca and 50% by Raiffeisen Landesbank, resolved to put the Company into voluntary liquidation. In May 2024, the procedure for requesting authorisation from the Supervisory Authority to purchase 50% of the share package of Mediocredito Trentino Alto Adige S.p.A. held by CCRFIN was formally launched.

Following issue of the authorisation on 7 August 2024, the Shareholders' Meeting of Casse Rurali Raiffeisen Finanziaria S.p.A. Approved the plan for division of the company and instructed the liquidator to remove the company from the Companies Register, which was done on 21 November 2024.

The Group's stake in Mediocredito therefore now stands at 17.98% of the share capital, with a direct stake of Cassa Centrale Banca of 17.65%.

Liquidation of Centrale Soluzioni Immobiliari S.r.l.

On 10 December 2024, the Extraordinary Shareholders' Meeting of Centrale Soluzioni Immobiliari S.r.l., an instrumental company of the Banking Group wholly owned by Cassa Centrale Banca, resolved to put the Company into voluntary liquidation.

3.22 – Impacts related to the conflict in the Middle East

The Israel-Palestine conflict began on 7 October 2023 with cyber attacks on the platforms used to broadcast alerts to the Israeli population and a missile attack launched on Israel shortly after.

This sequence of events highlights and consolidates how the virtual aspect of current conflict forms an integral part thereof, with increasingly more relevant and thus strategic impacts.

The surveys by the CNAIPIC (Italian National Anti-Crime Computer Centre for the Protection of Critical Infrastructure) show how the current geopolitical context compromises and permeates the cyber landscape. Various threat actors launched IT attacks on both fronts, against organisations and countries in support of the State of Israel and against the Palestinian population.

Experts believe that war-related hacktivism linked to the war between Israel and Hamas will be present for the duration of the conflict, extending to organisations and countries directly and indirectly connected to developments in the disputed territory. In general, the number of adversaries deployed on both opposing fronts is high and includes hacktivism organisations, both known and emerging, in addition to APT (Advanced Persistent Threat) criminal associations, which use continuous and sophisticated hacking techniques to gain access to a system and ensure a silent persistence within it, remaining there for a prolonged period, generally with high-value targets. The events of the conflict were also accompanied by the spread of misinformation and the sharing of false or out-of-context videos, with the aim of fuelling digital chaos that would contribute to creating disorder.

In collaboration with Allitude, Cassa Centrale Banca raised and maintains the alert level and its continuous threat analysis. It also continues to collect and enhance indicators of compromise shared by cyber threat intelligence sources.

3.23 – Classification and measurement of loans to customers based on the general impairment model IFRS9

In order to calculate the expected loss at 31 December 2024, the Group incorporated macroeconomic scenarios into its IFRS 9 impairment model, in line with the provisions of the standard. These scenarios include the effects of the continuation of geopolitical crises, along with uncertainty around European Central Bank monetary policy. These aspects have significant impacts on growth forecasts, the main macroeconomic variables and financial indicators for 2025-2027, compared to previous forecasts.

For the calculation of IFRS9 value adjustments on the customer-loan portfolio as at 31 December 2024, the Group adopted new IFRS9 models, introduced during the last quarter of 2024, which enable improved assessment of credit exposures, aligned with market best practices and expectations of the Supervisory Authority. These models, in addition to being based on new methodologies, involve the following components: i) an estimation process based on the new definition of default (Art. 178 of CRR), ii) segmentation of customers in line with the process for granting and monitoring credit, iii) new counterparty rating systems (including an acceptance rating model), iv) a more complete level of diversification based both on characteristics of the counterparty and the type of exposure.

For more information, please refer to the detailed information in the Explanatory Notes to Section 5 – Other Aspects.

3.24 – Changes to the Parent Company’s organisational chart

Appointment of the new Chief Compliance Officer

Daniela Bragante was appointed Chief Compliance Officer, effective 18 March 2024, reporting directly to the Board of Directors.

Appointment of the new Chief Wealth Management Officer

Marco Galliani was appointed Chief Wealth Management Officer, effective 4 November 2024, reporting directly to Chief Executive Officer Sandro Bolognesi.

3.25 – Renewal of the National Collective Labour Agreement (CCNL) of Cooperative Credit

On 09 July 2024, the agreement to renew the National Collective Labour Agreement for Middle Managers and Staff of the Professional Areas of Cooperative Credit Banks – Rural and Artisan Banks was signed. This agreement provides for a gradual increase in remuneration from September 2024 until January 2026, in addition to the payment of a one-off component related

to the recovery of arrears. The economic effects of a one-off payment, settled in July 2024, were included in the annual financial statements in accordance with the provisions of the international accounting standards of reference.

3.26 – Significant regulatory events during the year

The reference regulatory context in which the Group operates, also following its recognition as a significant supervised entity, is broad and articulated and has led, over time, to a process of organisational and procedural adjustment. In 2024, various regulations affecting the banking sector came into force.

The main measures implemented by the Group with reference to the most important regulatory changes are set out below.

Transparency

Legislative Decree no. 207/2023 of 07/12/2023 indices used as benchmarks.

Italian Legislative Decree no. 207 of 7/12/2023 was published in Official Gazette no. 300 of 27/12/2023, containing adoption of Recommendation CERS/2011/3 of the European Systemic Risk Board of 22 December 2011, related to the macroprudential mandate of national authorities, in addition to implementation of Articles 23-*ter*, paragraph 7, and 28, paragraph 2 of Regulation (EU) 2016/1011 (the Benchmark Regulation) on indices used as benchmarks.

The Decree came into force on 11 January 2024 and:

- established the Committee for macroprudential policies, as an independent authority appointed to conduct macroprudential policies. In line with the objective of macro-prudential vigilance, the Committee pursues the stability of the financial system as a whole, including through strengthening the capacity of the financial system to absorb the consequences of events that threaten its stability, in addition to the prevention and combating of systemic risks, thus promoting a sustainable contribution of the financial sector to economic growth. The Committee involves the Governor of the Bank of Italy, who chairs it, the Chairperson of Consob, the President of IVASS, and the Chairperson of COVIP;
- amended the Consolidated Law on Banking (Legislative Decree no. 385/1993 - TUB), by introducing article 118-*bis*, in order to define a detailed regulation at national level for the application of the Benchmark Regulation rules on substantial change or cessation of a benchmark.

Art. 118-*bis* T.U.B. states that banks and financial intermediaries must publish and keep updated plans on their websites envisaged by Article 28, paragraph 2 of Regulation (EU) 2016/1011 ("robust written plans"), as well as insert so-called "fallback" clauses in contracts with customers that allow the latter to identify, including through reference to the aforesaid plans, the changes to the benchmark or replacement index for cases of substantial change or cessation of the benchmark applied to the contract.

Art. 3, paragraph 2 of Legislative Decree no. 207 of 7 December 2023 states that within one year of the entry into force of the aforesaid measure (11 January 2025), banks and financial intermediaries must notify customers of publication of the plans according to the provisions of art. 118-*bis*, paragraph 1, second sentence, T.U.B., and must communicate contractual changes to customers through "Proposal of unilateral amendment to the conditions" required to introduce the clauses envisaged by art. 118-*bis*, paragraph 2, TUB.

The Parent Company informed the Banks of the entry into force of Legislative Decree no. 207/2023 and outlined the scope of application of said decree (funding and lending products for most customers). Actions to bring the operations of the banks and the Parent Company into compliance were launched with the amendment and update of the Group Regulations "Plan for replacing rates in indexed products", approved by the Board of Directors of the Parent Company on 28/03/2024.

Having completed analysis, Group contractual models and transparency metamodels were updated for lending and funding products with indexed interest rates, introducing the fallback clauses identified by the legislation.

With sending of account statements on 30 September 2024, as dictated by Legislative Decree 207/2023 and in accordance with the time frames set therein, all Banks sent customers the Proposal of Unilateral Amendment (PMU) required to align existing contracts with the provisions of the new Article 118-*bis* of the TUB, which requires that contracts involving application of a variable interest rate contain a specific fallback clause which, also through reference to the Plan for replacing reference indexes published on the Bank's website, indicates the reference index that will be applied in the event of cessation or significant variation of that currently applied. In addition to the Proposal of Unilateral Amendment, the Banks, as required by legislation, attached a notice to account statements informing customers of updating of the Plan, as resolved by the Board of Directors of the Parent Company in March 2024.

Bank of Italy communication of 12 April 2024 on customer protection in the context of the transfer of legal relationships.

On 12 April 2024, the Bank of Italy published a communication on its website related to transfers of legal relationships.

Bank of Italy highlighted that the market of banking and financial services has witnessed over the years a significant reorganisation of the business models and organisational and distribution strategies of intermediaries, driven, *inter alia*, by aggregation, the pursuit of targets to contain operating costs and the increasing digitisation of services. In this context, transfers of legal relationships have often led to problems for customers attributable both to the lack of information received and limits on the full use of their product and services, also as a result of non-compliance with the provisions in contracts.

The Bank of Italy therefore sent a communication to operators to remind them that they need to take due account of customers' needs when transferring legal relationships, even from the moment they begin to plan these transactions.

The objective is to raise the awareness of the intermediaries involved in these transactions of the need to adopt the necessary precautions to prevent possible inconveniences to customers and to enable them to fully understand the effects of the transfer of their legal relationships, so that they might assess whether to continue the relationship with the new intermediary and/or amend it, based on their rights (e.g. the right to renegotiation, subrogation, withdrawal, early termination).

The communication reminded supervised operators – when defining and implementing transfers of legal relationships – to consider customer protection aspects, carefully assessing them as early as the planning stage of a transfer. Specifically, adoption of specific control measures is required, indicated in detail in the Communication, both in terms of information to the customer (e.g. communication campaigns), and organisational and procedural measures.

Lastly, the Bank of Italy requires that the analyses and assessments conducted be brought to the attention of the Corporate Bodies and that the execution of every transfer be overseen by the Compliance Function.

In relation to this point, the Parent Company carried out the necessary analysis in order to define the scope of application and impacts of the Communication and took into consideration the indications contained therein for assessment of sale transactions occurring after issue of the Communication.

Bank of Italy communication of 15 April 2024: Outcomes of the mystery shopping pilot exercise. Full use of mystery shopping for customer protection supervisory purposes.

On 15 April 2024, the Bank of Italy published a communication on its website related to the mystery shopping pilot exercise, the first phase of which was conducted in relation to payment accounts.

Albeit finding substantial adequacy of the conduct of the institutes, the Bank of Italy believes that there remains a need to improve "the use of transparency documentation", listing aspects that Banks must focus on.

Lastly, the Bank of Italy informed that – having deemed the experience positive – it would continue to implement mystery shopping in the future.

The Parent Company made the Banks aware on 18/04/2024 of the publication of such Communication by the Bank of Italy and carried out the appropriate impact analyses.

Ruling no. 15130 of 29 May 2024 - Court of Cassation - Joint Divisions on fixed instalment repayment plan.

The Joint Divisions of the Court of Cassation, with ruling no. 15130 of 29 May 2024, published observations on the preliminary ruling by the Court of Salerno on 19 July 2023, establishing, in relation to fixed-rate bank loans repayable in equated monthly instalments, the following principle of law: "Regarding fixed-rate bank loans repayable in instalments governed by a traditional standardised "equated monthly instalment" plan, the failure to indicate the method of amortisation and the "compound" interest regime of interest paid is not grounds for partial invalidity of the contract, due to the indeterminacy or indeterminability of the scope of the contract, nor due to violation of the regulations on transparency of the contractual conditions and the relationships between credit institutes and customers".

The Joint Divisions therefore resolved the conflict of case-law on equated monthly instalments, related to the consequences of the omitted indication, within a bank loan agreement, of the "compound" interest regime of interest paid, despite the provision in writing of the annual percentage rate (APR), as well as the method of "equated monthly instalments".

Specifically, there were doubts as to whether the lack of express provision during negotiations could lead to:

- the indeterminacy or indeterminability of the related scope, with consequent structural invalidity in light of the combined provisions of articles 1346 and 1418, paragraph 2 of the Italian Civil Code;
- violation of the rules on transparency and those set out by art. 117, paragraph 4 of the TUB, which imposes, under penalty of nullity, that contracts must indicate the interest rate and any other price and condition applied, including, for credit agreements, any higher costs in case of arrears.

As regards the former profile, the Court of Cassation pointed out that: "(...) it is excluded that the failure to indicate in the fixed-rate bank loan agreement, the so-called "equated monthly instalment" repayment method and the compound interest regime would impact negatively on the requirements of determinacy and determinability of the scope of the contract, causing its partial invalidity".

In terms of the possible violation of art. 117, paragraph 4 of the TUB, the Joint Divisions highlighted that the higher interest charged deriving from the type of amortisation does not derive from a multiplication of interest in a technical sense, but constitutes the natural effect of the agreed decision for the repayment plan to be structured into the payment of a constant instalment (initially fixed) and not a decreasing one.

The ruling is particularly relevant for the Group, in which almost all of the mortgage loans existing or in any case paid off in the last 10 years (and therefore potentially affected by a negative ruling of the Supreme Court) are characterised by an equated monthly instalment plan.

The Parent Company proceeded to promptly inform the Banks of the contents of the ruling.

Legislative Decree no. 116 of 30 July 2024 transposing Directive (EU) 2021/2167 on credit servicers and credit purchasers.

Official Gazette no. 189 of 13 August 2024, included publication of Legislative Decree no. 116 of 30 July 2024 transposing Directive (EU) 2021/2167 on credit servicers and credit purchasers, which made changes to Chapter 1-*bis* (Art. 120-*novies-decies*) and 2 (Art. 125-*bis*) of Title VI of the Consolidated Law on Banking, regarding consumer real-estate lending and consumer lending, respectively.

Specifically, the Decree introduced specific rules for the management of unilateral amendments to contractual conditions of loans falling within the scope of the aforementioned Chapters of the TUB, also in terms of information to be provided to customers in the context of unilateral amendment of contractual conditions.

Although the Decree took effect from 14 August 2024, Art. 3 of the Decree (Transitional and final provisions) sets out that the Bank of Italy must adopt the TUB implementation provisions within six months of the date of entry into force of the Decree, which have not yet been issued.

Payment services

ABI Circular - Prot. UPG/UAE/URG/001401 of 23 October 2023 - and Bank of Italy indications on the full balance transfer in payment services transfer procedures.

With Circular dated 23 October 2023, the ABI provided the Banks, “also regarding discussions with the Bank of Italy on the matter”, with instructions to proceed, at the effective date, with the full credit balance transfer of the customer – in the context of requests for payment services transfer – without providing (as instead currently happens within the Group) for the curtailment of the amounts to be debited known to the banks but not yet accounted for (e.g. monthly balance of the credit card).

Subsequently, in March 2024, in the context of legal discussions for the finalisation of the Plan of Interventions resulting from the Transparency Inspection in 2021, the Bank of Italy further clarified and confirmed the obligation of the Bank to transfer in full the balance at the effective date, requesting that the Group adopt the appropriate adjustments.

Taking account of the above and the outcome of the analysis conducted, the Parent Company amended the relevant operating rules, notifying Affiliated Banks, in order to adopt the indications of the Supervisory Authority.

Regulation (EU) 2024/886 as regards instant credit transfers in euro.

Regulation (EU) 2024/886 was published in the Official Journal of the European Union on 19 March 2024, amending Regulations (EU) 260/2012 and 2021/1230 and Directives 98/26/EC and 2015/2366 (“PSD2”) as regards instant credit transfers in euro. As regards the amendments to Regulation 260/2012, Regulation (EU) 2024/886, which came into force on 8 April 2024:

- introduced art. 5-ter to Reg. no. 260/2012 which prohibits the application of higher charges for instant credit transfers than those applied by the same PSP for sending and receiving corresponding types of other credit transfers and which establishes that the PSPs located in a Member State whose currency is the euro must comply with this article by 9 January 2025;
- introduced the new art. 5-bis to Reg. no. 260/2012, where it states in paragraph 8 that the PSPs located in a Member State whose currency is the euro must offer PSUs the payment service of receiving instant credit transfers in euro by 9 January 2025 and the payment service of sending instant credit transfers in euro by 9 October 2025;
- introduced art. 5-quater to Reg. no. 260/2012, where it states in paragraph 9 that there must be a service ensuring verification of the payee, and that such service must be offered by 9 October 2025;
- introduced art. 5-quinqüies to Reg. no. 260/2012, which provides for screening of customers by the PSPs to verify whether a customer is a person or entity subject to financial restrictive measures. The payment service providers must comply by 9 January 2025.

The Parent Company initially sent an information alert to the Banks on 28 March 2024, notifying them of the new legislation, before launching analysis for the definition of organisational and procedural solutions for adoption of the rules set out in the legislation.

Having completed this analysis, the Affiliated Banks were notified regarding the action to take by the end of 2024 in order to guarantee observance of the regulatory requirements taking effect on 9 January 2025, utilising the tools provided for this purpose by Allitude in coordination with the Parent Company.

Necessary actions were also planned and targeted to ensure observance of further regulatory requirements entering into force in October 2025.

Bank of Italy communication of 17 June 2024: Disputing unauthorised payment transactions. Communication to the system.

The Bank of Italy published on its website on 17 June 2024 a Communication addressed to payment service providers (PSPs) on disputing unauthorised payment transactions, in which it drew the attention of Banks to the need to adopt conduct that, on

the one hand, complies with the rules on disputing unauthorised payment transactions and, on the other, is based on correct customer relations.

To this end, the Supervisory Authority asked Banks to perform a self-assessment of the compliance of their structures, procedures and practices in use with the regulatory provisions and the expectations of the Bank of Italy, and to adopt any necessary corrective actions within 12 months of publication of the indications contained in the communication (17 June 2025).

The assessments and analyses conducted by the Banks must be adequately formalised and will undergo verification during the ordinary supervision of the Bank of Italy, also taking into account the related guidelines of the ABF.

Following publication of the Communication, the Parent Company launched a working group tasked with the implementation, following a self-assessment process, of the necessary adjustment measures. In this regard, a planning phase was launched for definition of the action plan and the implementation of consequent adjustment measures.

Implementing legislation of the Corporate Sustainability Reporting Directive

With Legislative Decree no. 125/2024, the Italian Legislator transposed European Directive 2022/2464 (the Corporate Sustainability Reporting Directive, CSRD), aimed at promoting transparency and disclosure of information by companies regarding the environmental, social and governance (ESG) impacts of their business, through more robust reporting obligations on these organisations.

The CSRD sets out:

- broadening of the subjective scope of application of reporting obligations for sustainability information;
- more robust reporting obligations, broadening the scope of sustainability information required in annual reports;
- a requirement for sustainability reporting in accordance with common European standards (ESRS), prepared by EFRAG and adopted by the European Commission with specific Delegated Acts;
- the obligation to subject sustainability reporting to assurance, aimed at certification of the conformity of such reporting with the ESRS standards and introduction of specific requirements for the performance of assurance services.

With reference to the above action areas, Legislative Decree no. 125/2024 specifies the following:

- the new legislation applies to all large enterprises and parent companies of large groups, including those that are not listed, as well as small and medium-sized enterprises (with financial instruments admitted to trading on regulated markets and excluding micro-enterprises) and companies in third countries (with specific characteristics). Legislative Decree no. 125/2024 also applies, regardless of their legal form, to **credit institutions** pursuant to Article 4, paragraph 1, point 1 of Regulation (EU) no. 575/2013 of the European Parliament and of the Council;
- with reference to the contents of **Consolidated Sustainability Reporting**, Art. 4 establishes that the Parent Company must include — in a dedicated section of the Report on Operations — information required to understand the impact of the Group in terms of sustainability, along with the information required to understand the way in which sustainability matters influence the Group's performance, results and situation;
- information must be disclosed in compliance with the **reporting standards** adopted by the European Commission pursuant to Article 29-ter of Directive no. 2013/34/EU of the European Parliament and of the Council of 26 June 2013 (see Art. 4, paragraph 6);
- Consolidated Sustainability Reporting is subject to certification of conformity, issued by an approved party.

The new rules came into effect on 25 September 2024 and for large enterprises (which includes the Cassa Centrale Group), they are applicable from the FY starting 1 January 2024. Following publication of Legislative Decree no. 125/2024, steps have been taken for its proper implementation within the Group.

Directive 2022/2464/EU, transposed into national law by Legislative Decree 2024/125, requires companies to disclose information on key intangible resources and to explain how the company's business model fundamentally depends on such resources, and how they represent a source of value creation for the company. The Group has therefore identified the relevant key intangible resources that play a crucial role in determining its success and competitiveness. These include, in particular, human capital, intellectual capital, and social and relational capital. Specifically, the Group's strategy reflects the importance of these resources with the aim of promoting excellence in relationships with members and clients, in core competencies, and within its cooperative business model.

CRD VI and CRR III

On 24 April 2024 the European Parliament approved the package of amendments to the CRD and the CRR, intended to make EU banks more resistant to future economic shocks and to implement the Basel III international agreement, taking account of the specific nature of the EU economy.

In particular, the EU Parliament approved, with amendments:

- the Regulation amending the CRD VI – Capital Requirements Directive (Directive 2013/36/EU) regarding supervisory powers, sanctions, branches in third countries and environmental, social and governance (ESG) risks;
- the Regulation amending the CRR – Capital Requirements Regulation (Regulation (EU) no. 575/2013) in relation to credit risk requirements, the risk of adjustment of the credit assessment, operational risk, market risk and the output floor.

The aim of the revision is to take account of the concrete conditions of the European banking sector in implementation of the Basel standards, introducing certain specific European qualities, where possible on a temporary basis.

In response to the 2007-2008 crisis, the Basel III provisions are intended to improve the prudential standards, the supervision and the risk management of banks, in the context of implementing these provisions, the European Commission had therefore presented, in October 2021, the proposed revisions to the CRR and CRD: the approval of the amendments in question therefore follows the subsequent trilogue with EU Parliament and Council on the text of the proposals, formalised with European Council letter dated 6 December 2023.

In summary, the approved proposals:

- define the methods for implementing the output floor, which limits the variability of banks' capital levels where the calculation is carried out using internal models, in addition to the transitional provisions intended to allow market operators to adapt with sufficient time frames;
- improve, from a more prudential perspective, the rules related to credit risk, market risk and operational risk;
- implement the principle of proportionality in an improved way, especially for small and non-complex entities;
- define a harmonised framework of requirements for Corporate Representatives (members of the governing bodies and holders of key functions) intended to assess their suitability according to criteria of professionalism and good repute;
- in relation to preserving the independence of supervision, provide for a minimum period of incompatibility for the personnel and members of the governance bodies of the competent authorities, between activity in the competent authorities and positions in supervised entities, in addition to a limit on the mandates of the members of the governance bodies;
- define a transitional prudential regime for crypto assets;
- reinforce the reporting and disclosure requirements for ESG risks (environmental, social and governance risks) of banks;
- contain measures intended to harmonise the minimum requirements for branches of third-country banks and supervision of their activities in the EU.

The texts approved by the EU Parliament were also approved by the EU Council and subsequently published in the Official Journal of the European Union. Member States will have 18 months to transpose the CRD VI Directive into their own national legislation.

The CRR III Regulation will come into effect twenty days after publication in the Official Journal, and will apply from 1 January 2025, with the exception of several points of art. 1, described in art. 2, which will apply from 9 July 2024 (namely from its entry into force).

In this regard, Group credit strategies and internal regulations regarding the granting of credit have been updated through introduction of the new definitions set out in Regulation (EU) no. 2024/1623 (CRR III), which implemented the reform of the previous the Basilea III (Basilea IV). Specifically, reference was introduced to loans financing land purchase, development or construction (ADC1) and mortgage exposure in relation to income-generating real estate (IPRE2), i.e. exposure for which repayment depends significantly on cash flows generated by the property provided as a guarantee. Additionally, reference was also added to “specialised loans” as a new regulatory asset class for the standardised method.

Investment services

ESMA guidelines on certain aspects of the MiFID II suitability requirements

On 3 April 2023, ESMA published the official Italian translation of the final report “Guidelines on certain aspects of the MiFID II suitability requirements”, which updates the previous Guidelines on several aspects of the suitability assessment issued in 2018. The main updates concern the methods of acquiring and assessing the customer’s sustainability preferences, which the intermediaries must consider, in the context of the suitability assessment of a financial investment, pursuant to Commission Delegated Regulation (EU) 2021/1253, which came into force on 2 August 2022.

The Parent Company took account of the ESMA indications reported in the documents mentioned in the previous paragraphs as part of the project to review the MiFID questionnaire and the Group’s suitability assessment model. The project was launched in 2022 and continued throughout 2024.

ESMA guidelines on product governance

On 3 August 2023, the ESMA published the official Italian translation of the Final Report “Guidelines on MiFID II Product Governance Requirements”, which updated the previous Guidelines on product governance requirements pursuant to MiFID II issued in 2018.

Article 16, paragraph 3, and Article 24, paragraph 2, of the MiFID II establish that companies that create or distribute financial products must adopt adequate governance mechanisms to ensure that the companies guarantee the best interest of customers throughout all phases of the product life cycle.

These governance mechanisms must include the identification and periodic review of the target market of the end customer for each product and a distribution strategy consistent with the identified target market.

The product governance guidelines were updated, in particular, with reference to the integration of sustainability objectives into the process of defining the Target Market of a financial instrument, pursuant to Commission Delegated Directive (EU) 2021/1269.

The Parent Company has scheduled activities to adjust the Group’s product governance model to the changes required by the ESMA Guidelines.

Consob notice regarding “sustainable finance” in the provision of investment services

On 29 July 2024, Consob published notice no. 1 of 25 July 2024 regarding alignment with sustainable-finance obligations in the provision of investment services.

The document follows supervisory activity specifically aimed at exploring implementation mechanisms, and their efficacy, for EU regulatory provisions regarding sustainable finance, and contains, for the approaches identified, a list of operational practices aimed at ensuring:

- on the one hand, that financial intermediaries provide information regarding ESG topics in a clear, precise and comprehensible format;
- on the other, that the aforementioned topics are given adequate and effective importance i) in the context of preferences and needs of customers analysed for the purpose of evaluating the adequacy of investments and ii) in governance of products.

The Parent Company notified Banks of the publication of this Communication by Consob and carried out the appropriate impact analyses.

Insurance distribution

IVASS Measure no. 147/2024 of 20 June 2024 regarding pre-contractual disclosure in the context of insurance distribution. The Official Journal of 4 July 2024 included publication of IVASS Regulation no. 147/2024 implementing amendments and additions aimed at simplifying and rationalising pre-contractual disclosure on the distributor pursuant to IVASS Regulation no. 40/2018, and pre-contractual disclosure on the product pursuant to IVASS Regulation no. 41/2018 and corresponding annexes, as well as on sustainable finance. The Parent Company, with involvement of the Compliance Function and in synergy with the company Assicura Agenzia S.r.l., launched analysis of the regulation for identification and implementation of adjustment actions, also communicating with the insurance companies whose products are distributed by the Affiliated Banks.

Remuneration policies

On 3 April 2023, ESMA published the official Italian translation of the “Guidelines on certain aspects of the MiFID II remuneration requirements”. This document, entitled “Guidelines on Certain Aspects of MiFID II Remuneration Requirements”, constitutes a comprehensive revision of the “Guidelines on Remuneration Policies and Practices” issued in June 2013 pursuant to Directive 2004/39/EC (“MiFID”), following reform of reform of remuneration and conflict of interest requirements associated with introduction of the MiFID II Directive. The Guidelines became effective on 3 October 2023 and replaced the previous ones. For intermediaries that are also recipients of the prudential provisions on remuneration and incentives issued by the Bank of Italy pursuant to Art. 53, letter a of the Consolidated Law on Banking or Art. 6, paragraph 1, letter c-bis) of the Consolidated Law on Finance, the change to the ESMA Guidelines is carried out as part of the requirements of such provisions. As a result, the Parent Company then adjusted the document on the Group’s 2024 remuneration and incentive policies approved by the Shareholders’ Meeting on 7 June 2024.

Anti-Money Laundering

The regulatory framework on anti-money laundering and countering the financing of terrorism has been supplemented as follows.

Commission Delegated Regulation (EU) 2024/595 was published in the Official Journal of the European Union on 16 February 2024. The Regulation contains regulatory technical standards that specify the materiality of weaknesses, the type of information collected, the practical implementation of the information collection and the analysis and dissemination of the information contained in the anti-money laundering and counter terrorist financing central database. Furthermore, the Regulation specifies the content of the information the reporting authorities must provide to the EBA, be it general, in relation to the shortcomings identified or measures taken, specifying their time frames and additional communication obligations. The Function carried out an analysis of the said Regulation intended to explore the topics discussed and to assess any impacts. No regulatory updates were found to be necessary.

On 22 February 2024, following a joint vote between the Council of the European Union and the European Parliament, the head office of the future EU authority dedicated to anti-money laundering was assigned to Frankfurt. The AMLA (Authority for Anti-Money Laundering and Countering the Financing of Terrorism) will begin operating in mid-2025.

With note dated 11 April 2024, the Ministry of Enterprises and Made in Italy communicated that the Regional Administrative Court of Lazio had rejected the appeals presented for the cancellation of MIMIT Decree of 29 September 2023, relating to the Register of beneficial owners. Full application of the information established on beneficial ownership was therefore restored, with expiry of the related term on 11 April 2024. Subsequently, following the appeal presented to the Council of State, the latter ordered the suspension of the enforcement of the rulings of the Lazio Regional Administrative Court on the assumption that the matters at issue in the ruling presented issues of complexity that would require in-depth analyses incompatible with the summary nature of the interlocutory stage. Pending definition of the regulatory framework, the Anti-Money Laundering Function distributed additional alerts and communications, in addition to an initial explanatory Circular, in order to provide operational support to the Affiliated Banks.

On 24 April 2024 the European Parliament definitively adopted the package of legislative measures on Anti-Money Laundering and Countering the Financing of Terrorism, formed of the sixth AML Directive, the EU “single rulebook” and the AML Authority. The new provisions ensure that persons with a legitimate interest, including journalists, civil society organisations, the competent authorities and supervisory bodies will have immediate, unfiltered, direct and free access to information about beneficial ownership contained in the national and interconnected records at EU level. In addition to the current information, the registers will also include data from at least five years ago. The new rules also grant the UIF (Italian Financial Intelligence Unit) greater powers to analyse and identify cases of money laundering and terrorist financing, and to suspend suspicious transactions. This measure is currently being analysed by the AML Function to assess the impacts on current regulations and possible needs for adjustment.

On 4 June 2024, IVASS published Measure no. 144 of 4 June 2024, which provided for amendments and integrations to IVASS Regulation no. 44 of 12 February 2019, containing implementing provisions intended to prevent the use of insurance companies and insurance intermediaries for money laundering and terrorist financing purposes in the context of organisation, procedures and internal controls and adequate customer verification. The most significant changes include the introduction of the definition of a Body with management functions and the identification of the tasks it is responsible for, as well as aspects related to: the Director responsible for AML, the Function in charge of verifying compliance with current regulations on preventing money laundering and financing of terrorism; outsourcing activities; Groups. Analyses are currently being carried out on the new IVASS Measure intended to make to necessary regulatory and organisational adjustments to the Group Companies involved.

The Official Journal of the European Union of 19 June 2024 included publication of the following documents that make up the AML Package:

- Directive (EU) 2019/1640 of the European Parliament and of the Council of 31 May 2024 (“**VI AML Directive**”), amending Directive (EU) 2019/1937 and replacing Directive (EU) 2015/849, repealing its provisions, introducing new regulations on organisation of the institutional AML/CFT system for national supervisory bodies and Financial Intelligence Units (FIU), as well as Central Registries, including a registry of real owners, registry of bank accounts, and access to real-estate registries. The AML Directive came into effect on 9 July 2024 and Member States must adopt the legislative and regulatory provisions in order to comply with the Directive by 10 July 2027, with the exception of:
 - rules regarding the registry of real owners, which must be adopted by 10 July 2026;
 - rules on unified access to information on real estate assets, which must be adopted by 10 July 2029;
- Regulation (EU) 2019/1620 of the European Parliament and of the Council of 31 May 2024 “**AML Regulation**” or “**Anti-Money-Laundering Regulation**”), which, in order to achieve a greater level of harmonisation of industry regulations at European level, contains all AML/CFT provisions regarding the private sector that will be directly applicable in the Member States of the Union, including rules regarding adequate verification of customers, real ownership and upper limits for payments in cash (EUR 10,000). The AML Regulation came into force on 9 July 2024 and will be applicable from 10 July 2027;
- Regulation (EU) 2019/1624 of the European Parliament and of the Council of 31 May 2024 “**AMLA Regulation**”), which sets out the establishment of the European Authority for Anti-Money Laundering and Countering the Financing

of Terrorism (AMLA), which will have the task of strengthening cooperation between the various national Intelligence Units, directly supervising higher risk financial bodies and coordinating national supervisory bodies. The regulation governs the legal status of the organisation, its powers and its forms of coordination with the other Authorities. The AMLA Regulation came into force on 26 June 2024 and will be applicable from 1 July 2025.

Additionally, the Official Journal of the European Union of 19 June 2024 included publication of Directive (EU) 2024/1654 of 31 May 2024 amending Directive (EU) 2019/1153 as regards access by competent authorities to centralised bank account registries through the interconnection system and technical measures to facilitate the use of transaction records. The Directive is aimed at facilitating access to financial information to prevent, verify, investigate or prosecute serious crimes, including terrorism. Quick access to financial information is essential in order to conduct criminal investigations and obtain and subsequently confiscate the tools and gains generated by crime, above all in the context of investigations into organised crime and cybercrime.

The Bank of Italy, with its order of 27 November 2024, published the amendments to the Provisions on organisation, procedures and internal controls aimed at preventing the use of intermediaries for money laundering and terrorist financing purposes of 26 March 2019, attaching the new Bank of Italy Anti-Money-Laundering Reporting Manual.

In 2024, the European Union published numerous Implementing Regulations concerning restrictive measures to counter the money laundering and the financing of terrorism, including measures to freeze the funds and economic resources of designated parties that have been added to dedicated sanction lists.

Privacy

On 22 February 2024, the Italian Data Protection Authority approved the launch of a public consultation to acquire observations and proposals on the appropriateness of the retention period of the metadata generated and collected automatically by electronic mail transmission and routing protocols and related to operations to send, receive and route electronic mail messages. With the same measure, the Authority postponed the validity of the guideline "IT programmes and services for electronic mail management in the employment context and processing of metadata". The public consultation was attended by the DPO, alongside other Data Protection Officers of the main Italian banking institutes, with their own position paper. The public consultation proceedings concluded with the adoption, on 6 June 2024, of the new guideline "IT programmes and services for electronic mail management in the employment context and processing of metadata". This document addressed many topics in detail. For instance, the scope of objective application of the metadata involved was defined in greater detail (limited only to those generated by server systems managing and routing electronic mail); the recommended retention period for logs generated is 21 days, without prejudice to the possibility to extend this period in accordance with the principle of accountability of the data controller. Further assessments are under way of the extent of the operational impact of the measure described.

On 7 March 2024, the Italian Data Protection Authority accredited the Monitoring Body of the telemarketing and teleselling code of conduct previously approved on 9 March 2023. With the accreditation of the Monitoring Body, the Code of Conduct becomes fully operational. In relation to this code of conduct, there are no changes to the assessments made at the time and to the fact that, albeit recognising the value of the contents of the document, the Parent Company assessed that it was not necessary to following this specific code of conduct.

The Official Journal of 27 November 2024 included publication of Italian Data Protection Authority Order no. 618 of 17 October 2024 introducing the Code of Conduct for the processing of personal data by businesses developing and producing management software. The Parent Company, although the Codes of Conduct adopted pursuant to Art. 40 of the GDPR are applicable only for those adhering to said code, launched analysis of the order to identify, together with the Banks and Group Companies, potential best practices to implement within its own system.

Administrative liability of entities

During the reporting period, the Legislative Decree no. 231/2001 was subject to the following legislative amendments:

- **Law no. 206 of 27 December 2023**, containing “Provisions for the enhancement, promotion and protection of Made in Italy”, amending Article 25-*bis* of Legislative Decree no. 231/2001, with specific reference to the sale of industrial products with false marks;
- **Law no. 6 of 22 January 2024**, containing “Sanctioning provisions on destruction, dispersion, deterioration, depletion, defacing and illicit use of cultural assets or landscapes and amendments to Articles 518-*duodecies*, 635 and 639 of the Italian Criminal Code”. Amending Article 25-*septiesdecies* of Legislative Decree no. 231/2001 on destruction, dispersion, deterioration, depletion, defacing and illicit use of cultural assets or landscapes;
- **Decree Law no. 19 of 2 March 2024, converted with Law no. 56 of 29 April 2024**, containing “Additional urgent provisions for implementation of the National Recovery and Resilience Plan (NRRP)”, amending Article 512-*bis* of the Criminal Code established by Article 25-*octies.1* of Legislative Decree no. 231/2001 on fraudulent transfer of value;
- **Legislative Decree no. 87 of 14 June 2024**, containing “Revision of the tax penalty system, pursuant to Article 20 of Law no. 111 of 9 August 2023”, in envisaged for a predicate offence set forth by Article 25-*quinquiesdecies* of Legislative Decree no. 231/2001 on tax crimes;
- **Law no. 90 of 28 June 2024**, containing “Provisions regarding the strengthening of national cybersecurity and cyber-crimes”, introducing amendments to the provisions of Article 24-*bis* of Legislative Decree no. 231/2001 on cybercrimes;
- **Decree Law no. 92 of 4 July 2024, converted with amendments by Law no. 112 of 8 August 2024**, containing “Urgent measures regarding penitentiary aspects, civil and criminal justice and personnel of the Italian Ministry of Justice”, determining an update of the predicate crimes against the public administration pursuant to Article 25 of Legislative Decree no. 231/2001;
- **Law no. 114 of 9 August 2024**, containing “Amendments to the criminal code, the code of criminal procedure, judicial system and code of military organisation”, introduced to repeal certain predicate crimes set forth in Article 25 of Legislative Decree no. 231/2001;
- **Legislative Decree No. 129 of 5 September 2024**, containing “Alignment of national legislation with Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023, on markets in crypto-assets, and amending Regulations (EU) no. 1093/2010 and (EU) no. 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937”, on crypto-assets and introducing specific aspects regarding the responsibilities of the organisation;
- **Legislative Decree no. 141 of 26 September 2024**, containing “National provisions complementary to the customs code of the Union and review of the penalty system regarding customs duties and other indirect taxes on production and consumption”, amending the provisions of Article 25-*sexiesdecies* of Legislative Decree no. 231/2001 on contraband;
- **Decree Law no. 145 of 11 October 2024**, containing “Urgent provisions on entry to Italy of foreign workers, safeguarding and assistance for victims of illegal recruitment, management of migratory flows and international protection, as well as the corresponding jurisdictional procedures”, introduced regarding the employment of citizens of third countries in the country illegally, as set forth in Article 25-*duodecies* of Legislative Decree no. 231/2001.

Regarding new legislation considered to be applicable to the Cassa Centrale Group, and with particular reference to:

- **Law no. 137 of 9 October 2023**, which i) expanded the list of predicate crimes envisaged by Articles 24 and 25-*octies.1* with the introduction of crimes of interference in auctions (Art. 353 of the Italian Criminal Code), interference in the contractor selection procedure (Art. 353-*bis* of the Italian Criminal Code), and fraudulent transfer of value, Art. 512-*bis* of the Italian Criminal Code, and (ii) amended Articles 452-*bis* (environmental pollution) and 452-*quater* (environmental disaster) of the Italian Criminal Code on crimes against the environment, both referred to in Article 25-*undecies* (environmental offences) (already noted in the previous Report);
- **Decree Law no. 19 of 2 March 2024**, converted with amendments by Law no. 56 of 29 April 2024, which extended the provisions of Article 512-*bis* of the Criminal Code to include additional new cases, regarding false attribution of companies, stakes, shareholdings or corporate roles in order to avoid application of the provisions on anti-mafia documentation.

Cassa Centrale Banca launched analysis aimed at identifying the consequent changes to be made to the Organisation, Management and Control Model pursuant to Legislative Decree no. 231 of 8 June 2001. This activity was completed with the approval by the Board of Directors of the update to the Model on 12 December 2024, which adopted the legislative changes mentioned above and those introduced in 2023, including that set forth by Law no. 93 of 14 July 2023, which was noted in the previous Report.

Climate and environmental risks

In January 2024, the European Banking Authority (EBA) opened consultation of the new guidelines on the management of environmental, social and governance (ESG) risks. These guidelines establish the requirements for institutions regarding the identification, measurement, management and monitoring of ESG risks, including through plans aimed at handling risks deriving from the transition towards a climate-neutral economy in the EU.

Climate change, environmental degradation, social issues and other environmental, social and governance factors represent significant challenges for the economy with impacts on the financial sector. The risk profile and business model of financial institutions may be influenced by ESG risks, and in particular by climate risks through transition and physical risk factors. To guarantee the security and stability of institutions in the short, medium and long term, the Guidelines establish requirements that institutions should follow when defining internal processes and approaches to ESG risk management.

In the context of these Guidelines, principles are established for the development and content of the plans of institutions in compliance with the directive on capital requirements (version CRD VI). The aim is to monitor and appropriately handle financial risk deriving from ESG factors, including risk deriving from the process of alignment with the EU climate-neutrality target to be reached by 2050. The Guidelines, prepared in line with the EBA roadmap for sustainable finance, responds to the mandate established by Article 87a(5) of the CRD IV Directive (2013/36/EU) as amended by the proposed Directive CRD VI (2021/0341[COD]).

ICT and security risk control function

Regulation (EU) 2022/2554 of the European Parliament and of the Council on digital operational resilience for the financial sector – DORA

The DORA Regulation was published on 14 December 2022. It aims to promote digital operational resilience, by regulating the operational risks arising from the growing interdependence among the financial sector and third-party service providers and to grant the Supervisory Authorities with suitable powers to monitor such risks. The DORA framework, which is part of the Digital Finance Package, is the first legislative act at European level that addresses the topic of digital operational resilience for financial services with a holistic approach. The DORA Regulation is based on the following pillars:

- creation of a common framework for harmonised management of ICT risks;
- harmonisation of the classification and reporting of ICT incidents with swift notification times (the same day as the event);
- to establish standards at EU level for digital operational resilience tests;
- to cover the minimum contractual elements to allow for complete monitoring of ICT third parties;
- to promote awareness and knowledge of ICT threats by sharing information at system level.

Cassa Centrale Banca also continued its adjustment plan in the second half of 2024, in addition to the coordination and alignment among the various functions involved, allowing for further cross-functional interdependencies to be addressed.

On 17 July 2024, the Regulatory Technical Standards (RTS) were published, which provided more information in relation to:

- reporting of significant incidents;
- estimation of annual total costs and losses caused by significant incidents;

- TLPT (threat-led penetration testing);
- standardisation of condition enabling performance of supervisory activities;
- cooperation on supervisory activity and exchange of information between ESAs and relevant national authorities.

At the Group level, in order to guarantee updated documentation by 17/01/2025, when Regulation (EU) 2022/2554 comes into effect, rules were issued (Policy, Regulations and Procedures) on the areas impacted by the Regulation, which are: Incident Management, Evolution of ICT controls, Management of third parties, Evolution of the management of ICT and security risk and Evolution of Security & Resilience controls, which enable compliance with DORA regulations.

In addition to completing the regulatory adjustments required by Regulation (EU) 2022/2554, this process continues due to certain activities identified as necessary that will be implemented from this year. Additionally, implementation of IT measures are planned, grouped into 38 projects, with overall planning extending to 2027, taking into account available capacity, their significance in relation to the regulatory framework and synergies with other projects already under development.

Regulation (EU) 2024/1689 of the European Parliament and of the Council laying down harmonised rules on artificial intelligence – AI Act

On 1 August 2024, Regulation (EU) 2024/1689 of the European Parliament and of the Council laying down harmonised rules on artificial intelligence (AI Act) came into effect.

The AI Act is the first European Regulation aimed at governing the use of artificial intelligence systems within European Union States. In particular, the aim is to provide unified and uniform legislation, for EU Member States, regarding the risks posed by use of artificial intelligence systems (AI) both for users of such systems and for citizens.

It is specifically aimed at limiting the use of systems that could violate fundamental rights or pose a serious threat to security. In this regard, the Regulation therefore lays down a series of precautions and conditions for the use of artificial intelligence systems, including in the performance of activity of interest to the Group (e.g. Seeking and selection of personnel, and assessment of creditworthiness). These precautions and conditions vary based on the level of risk associated with each AI system. The Regulation therefore divides artificial intelligence systems into:

- banned systems, considered too high risk to guarantee fundamental rights;
- high-risk systems, viable only when subject to a series of precautions and specific monitoring of the systems themselves
- general-purpose systems, viable only when subject to a series of precautions that are less invasive compared to those applied for high-risk systems;
- general-purpose systems that might pose systemic risk, viable only when subject to a series of precautions that are less invasive compared to those applied for high-risk systems.

Finally, the Regulation establishes that employees using AI systems must be adequately trained and updated on the potential risks associated with these systems. Specifically, by February 2025, there is a requirement to decommission all AI systems classified as banned systems and all employees must receive corresponding training.

In this regard, therefore, Cassa Centrale Banca, having performed an analysis of the regulatory document and an initial impact assessment, has started reviewing all artificial intelligence systems currently in use at the Group level in order to classify them based on the categories introduced by the AI Act and decommission any that are identified as banned systems. Finally, a specific training programme on artificial intelligence has been launched to fulfil the skills and training requirements established by the Regulation.

4. Operating performance of the Cassa Centrale Group

4.1 - Performance indicators of the Group

The main performance indicators for the period ended 31 December 2024 are shown below:

RATIOS	31/12/2024	31/12/2023	% change
STRUCTURAL RATIOS			
Net loans to customers*/Total assets	55.9%	53.5%	4.5%
Direct funding / Total assets	84.2%	77.0%	9.3%
Net equity / Total assets	10.8%	9.2%	17.4%
Net loans to customers/Direct funding from customers	66.3%	69.4%	(4.4%)
PROFITABILITY INDICES			
Net profit / Net equity (ROE)	12.5%	10.6%	17.5%
Net profit / Total assets (ROA)	1.3%	1.0%	38.0%
Cost / Income **	58.4%	60.8%	(3.9%)
Interest margin / Net interest and other banking interest	80.9%	84.5%	(4.3%)
Net fees and commissions / Net interest and other banking interest	27.6%	28.1%	(1.7%)
Net interest and other banking interest / Total assets	3.5%	3.2%	10.2%
OPERATING EFFECTIVENESS INDICES			
Operating costs / Traded volumes ***	1.0%	1.1%	(7.7%)
Traded volumes per employee (million) ****	13.8	13.2	4.3%

* Net loans to customers include loans and advances to customers at amortised cost and fair value, thus differing from the exposures to customers shown in the financial statements

** Indicator calculated as the ratio of operating costs (operating expenses, other allocations and other operating expenses/income) to net interest and other banking income.

*** The traded volumes are calculated considering the gross performing loans to customers, the total funding excluding the repos component with Euronext Clearing and eligible MREL issues For a breakdown of loans to customers, see the table "Net loans to customers" in paragraph 4.4 - Financial position aggregates.

**** The number of employees of the Group is taken from the figure on the reference date.

The indicators shown represent the main operating trends of the Cassa Centrale Group as at 31 December 2024.

With regard to structural ratios, loans to customers represent 55.9% of the total consolidated assets of the Cassa Centrale Group, confirming the predominant activity of the Affiliated Banks aimed at financing the reference territory, households and small economic operators in the context of their business activities. The index is higher than the findings at December 2023.

Direct funding from customers remained the Group's main source of funding, accounting for 84.2% of total assets, an increase compared to the end of 2023.

In light of the change in lending activities, the ratio of net loans to direct funding from customers at 31 December 2024 confirms the Cassa Centrale Group's high degree of liquidity, at 66.3%, a slight decrease on the figure at the end of 2023.

With reference to profitability ratios, the ROE, calculated as the ratio of profit for the period to equity, is 12.5%, while the ROA, calculated as the ratio of net profit to the financial statements total, is around 1.3%.

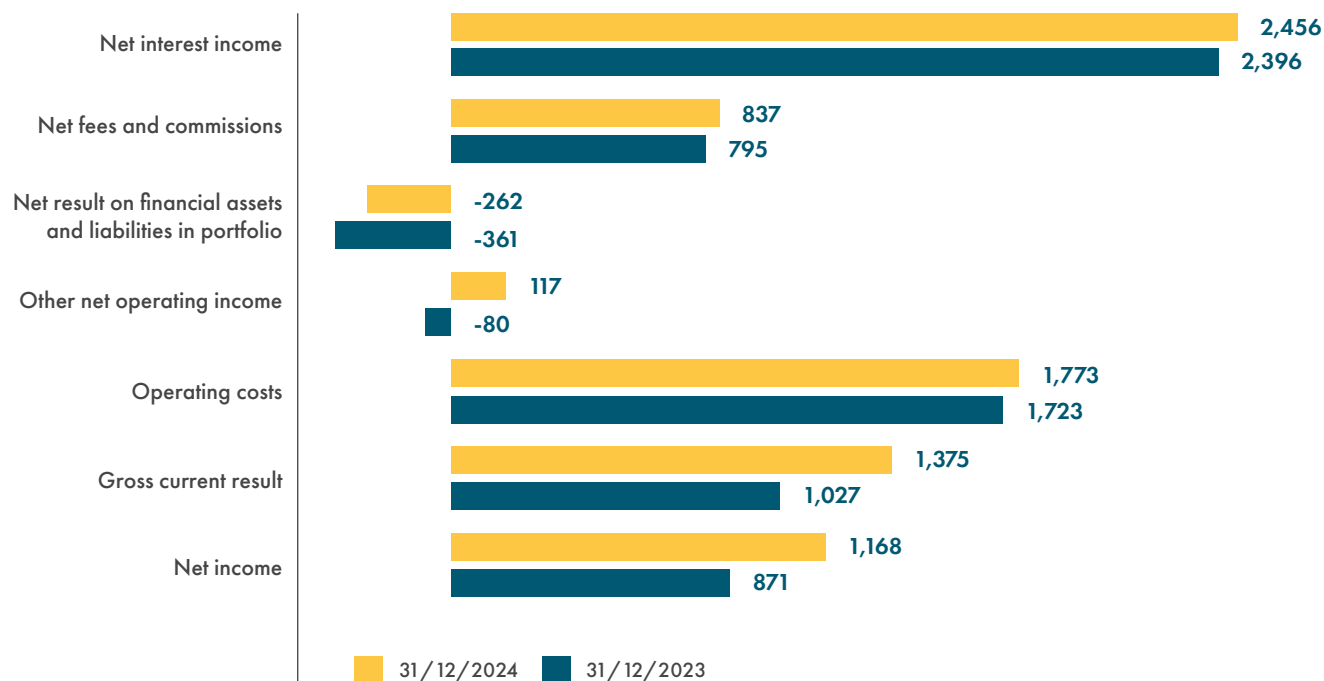
Productivity, measured through the index of traded volumes per employee, grew by 4.3% compared to the end of 2023, amounting to EUR 13.8 million and confirming the path undertaken by the Cooperative Banking Group to progressive increase industrial efficiency. The impact of operating costs on volumes traded was down slightly on the figure at the end of 2023, equal to 1%.

The following paragraphs provide a brief description of the Group's main income statement and balance sheet aggregates, together with further management evidence commenting on the indicators previously reported.

4.2 - Summary of results

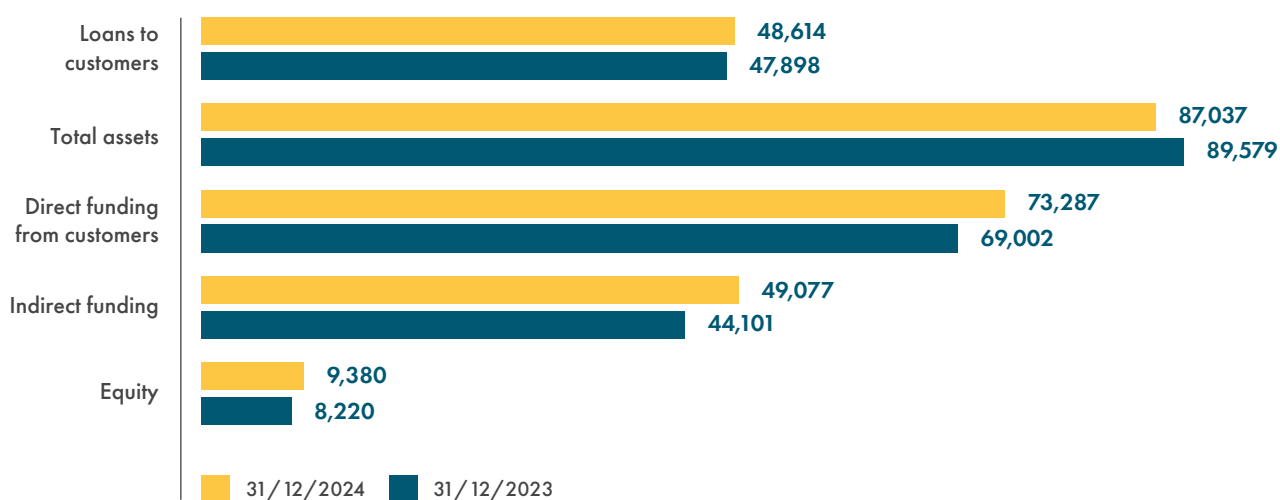
A graphic representation of the results of the main items in the income statement and balance sheet is provided below. Please refer to the specific sections for details of individual items.

Consolidated income statement figures (millions of euro)



The item "Other net operating income" includes dividends, net value adjustments/write-backs and profit (loss) from disposal of investments and equity investments.

Consolidated balance sheet figures (millions of euro)



4.3 - Economic results

Reclassified income statement⁵

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Net interest income	2,456	2,396	60	2.5%
Net fees and commissions	837	795	42	5.3%
Dividends	4	4	-	0.0%
Net result on financial assets and liabilities in portfolio*	(262)	(361)	99	(27.4%)
Net interest and other banking income	3,035	2,834	201	7.1%
Net value adjustments/write-backs	123	(81)	204	n.s.
Income from financial activities	3,158	2,753	405	14.7%
Operating expenses**	(2,031)	(1,905)	(126)	6.6%
Net allocations to provisions for risks and expenses	35	(13)	48	n.s.
Other income (expenses)	223	195	28	14.4%
Profit (loss) from disposal of investments and equity investments	(10)	(3)	(7)	n.s.
Gross current result	1,375	1,027	348	33.9%
Income tax	(207)	(156)	(51)	32.7%
Net income of the Parent Company	1,168	871	297	34.1%

* This item includes Net result from trading, Net result from hedging, Profit (loss) from disposal/repurchase of financial assets and liabilities, and Net result of other financial assets and liabilities measured at fair value through profit or loss.

** This item includes staff expenses, other administrative expenses and operating amortisation/depreciation.

As at 31 December 2024, the net interest and other banking income of the Cassa Centrale Group stood at EUR 3.0 billion, up by EUR 201 million compared to December 2023. The Group's margins mainly reflect the trend in market rates on the yield of the loan portfolio and the growing return on the proprietary securities portfolio.

Net fees and commissions rose to EUR 837 million (27.6% of the net interest and other banking income), confirming the growing focus of the Cassa Centrale Group on the development of the service margin.

The net result on financial assets and liabilities in portfolio was negative at EUR -262 million, mainly as a result of a targeted repositioning of the securities portfolio, with a reduction in financial assets due to repayment of the last TLTRO-III operations carried out by the European Central Bank, and redefinition in the context of the diversification of weightings in relation to counterparty issuers and the duration of the residual portfolio.

Towards the end of 2024, write-backs totalled EUR 123 million. Total allocation for impaired loans hovered at around 81%, confirming the constant credit risk monitoring.

The change in operating expenses, up on the same period in 2023 (+6.6%), mainly reflects the dynamic in staff expenses, as shown in the following paragraphs.

Profit before tax amounted to EUR 1.4 billion, up on the previous financial year (+33.9%), with the net profit pertaining to the Parent Company standing at EUR 1.2 billion.

⁵ In order to provide a better management representation of the results, the reclassified consolidated income statement figures differ from the layouts of the financial statements envisaged by Bank of Italy Circular no. 262 of 2005, 8th Update.

Reconciliation of consolidated income statement and reclassified income statement

(Figures in millions of euro)	31/12/2024	31/12/2023
Net interest income	2,456	2,396
Item 30 - Net interest income	2,456	2,396
Net fees and commissions	837	795
Item 60 - Net fees and commissions	837	795
Dividends	4	4
Item 70 - Dividend and similar income	4	4
Net result on financial assets and liabilities in portfolio	(262)	(361)
Item 80 - Net result from trading	9	6
Item 90 - Net result from hedging	2	-
Item 100 - Profit (loss) from disposal/repurchase of financial assets and liabilities.	(275)	(374)
Item 110 - Net result on other financial assets and liabilities measured at fair value through profit or loss	2	7
Net interest and other banking income	3,035	2,834
Item 120 - Net interest and other banking income	3,035	2,834
Net value adjustments/write-backs	123	(81)
Item 130 - Net value adjustments/write-backs due to credit risk	126	(80)
Item 140 - Profit/loss from contractual changes without derecognitions	(3)	(1)
Income from financial activities	3,158	2,753
Item 150 - Net income from financial activities	3,158	2,753
Operating expenses	(2,031)	(1,905)
Item 160 - Result of insurance services	-	-
Item 170 - Balance of revenues and financial costs relating to insurance management	-	-
Item 190a) - Administrative expenses - Staff expenses	(1,119)	(1,028)
Item 190b) - Administrative expenses - Other administrative expenses	(771)	(734)
Item 210 - Net value adjustments/write-backs to tangible assets	(122)	(113)
Item 220 - Net value adjustments/write-backs to intangible assets	(19)	(30)
Net allocations to provisions for risks and expenses	35	(13)
Item 200 - Net allocations to provisions for risks and expenses	35	(13)
Other income (expenses)	223	195
Item 230 - Other operating expenses/income	223	195
Value adjustments to goodwill and other intangible assets	-	-
Item 270 - Value adjustments to goodwill	-	-
Profit (loss) from disposal of investments and equity investments	(10)	(3)
Item 250 - Profit (loss) on equity investments	(10)	(5)
Item 260 - Net result of fair value measurement of tangible and intangible assets	-	-
Item 280 - Profit (loss) from disposal of investments	-	2
Gross current result	1,375	1,027

(Figures in millions of euro)	31/12/2024	31/12/2023
Item 290 - Profit (loss) before tax from current operating activities	1,375	1,027
Income tax	(207)	(156)
Item 300 - Income taxes for the year on current operating activities	(207)	(156)
Profit (loss) from discontinued operations	-	-
Item 320 - Profit (loss) after tax from discontinued operations	-	-
Profit (loss) for the year for minority interests	-	-
Item 340 - Profit (loss) for the year for minority interests	-	-
Net income of the Parent Company	1,168	871
Item 350 - Profit (loss) for the Parent Company	1,168	871

Net interest income

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Financial assets measured at amortised cost not comprising loans	633	697	(64)	(9.2%)
Other financial assets and liabilities measured at FVTPL	2	3	(1)	(33.3%)
Other financial assets measured at FVOCI	330	262	68	26.0%
Financial instruments	965	962	3	0.3%
Net interest to customers (loans)	1,638	1,724	(86)	(5.0%)
Debt securities in issue	(209)	(119)	(90)	75.6%
Customer relations	1,429	1,605	(176)	(11.0%)
Net interest to banks	(72)	(274)	202	(73.7%)
Differentials on hedging derivatives	20	15	5	33.3%
Other net interest	114	88	26	29.5%
Total net interest income	2,456	2,396	60	2.5%

The net interest income as at 31 December 2024 stood at nearly EUR 2.5 billion, posting an increase of +2.5% (EUR +60 million) compared to the previous year.

This trend is linked primarily to the contribution of lending, totalling EUR 1.4 billion (EUR -176 million compared to the previous year). Financial instruments also made a significant contribution of EUR 965 million (EUR +3 million compared to 2023). In the interbank sector, negative net interest was recorded for a total of EUR -72 million, of which EUR -89 million is attributable to the TLTRO-III operations carried out by the European Central Bank and present at the start of 2024. The negative contribution to interest margin for the interbank sector is down significantly compared to 2023 due to the progressive reduction in volumes of TLTRO-III operations, reaching maturity.

Net fees and commissions

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Fees and commissions income	994	933	61	6.5%
Financial instruments	156	149	7	4.7%
Management of collective portfolios	82	73	9	12.3%
Custody and administration	6	5	1	20.0%
Payment services	450	412	38	9.2%
Breakdown of third party services	119	110	9	8.2%
Financial guarantees given	16	16	-	0.0%
Financing transactions	122	121	1	0.8%
Foreign currency trading	1	1	-	0.0%
Other fees and commissions income	42	46	(4)	(8.7%)
Fees and commissions expenses	(157)	(138)	(19)	13.8%
Financial instruments	(13)	(13)	-	0.0%
Custody and administration	(18)	(17)	(1)	5.9%
Collection and payment services	(102)	(88)	(14)	15.9%
Out-of-branch offer of financial instruments, products and services	(9)	(8)	(1)	12.5%
Other fees and commissions expenses	(15)	(12)	(3)	25.0%
Total net fees and commissions	837	795	42	5.3%

Net fees and commissions as at 31 December 2024 stood at EUR 837 million, a +5.3% increase on the previous year, in line with the Group's strategy to consolidate this revenue item.

Comparison with 2023 shows a growing contribution of the Payment Systems and Finance and Bancassurance segments (included in the item "Breakdown of third-party services"), in line with the growth in Group net funding in this area.

The growth in fees and commissions income is reflected, pro rata, in the dynamics of fees and commissions expenses.

Net result from financial operations

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Net result from trading	9	6	3	50.0%
- Debt securities	1	1	-	0.0%
- Derivative instruments	6	1	5	n.s.
- Other	2	4	(2)	(50.0%)
Net income from the sale of financial assets and liabilities	(275)	(374)	99	(26.5%)
Net result from hedging	2	-	2	100.0%
Dividend and similar income	4	4	-	0.0%
Net result on other financial assets and liabilities measured at fair value through profit or loss	2	7	(5)	(71.4%)
Total net result from financial operations	(258)	(357)	99	(27.7%)

The net result from financial operations as at December 2024 amounted to EUR -258 million, primarily due to capital losses of the Group following the repositioning of the securities portfolio previously described.

Net value adjustments/write-backs to financial assets

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Loans to customers	125	(80)	205	n.s.
- of which write-offs	(8)	(6)	(2)	33.3%
Loans to banks	1	1	-	0.0%
OCI debt securities	-	(1)	1	(100.0%)
Contractual changes without derecognitions	(3)	(1)	(2)	n.s.
(Net value adjustments)/write-backs	123	(81)	204	n.s.

In 2024, net write-backs totalled EUR 123 million. The Group's average coverage on impaired loans stood at around 81%, as proof of the Group's close attention to monitoring credit risk. Despite the fact that conservative provision policies were maintained in 2024, hedging of impaired loans led to net write-backs on credit positions thanks above all to internal management activity, which the Affiliated Banks perform in accordance with a strategy aimed at constant support and proximity to customers.

Operating costs

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Administrative expenses	(1,890)	(1,762)	(128)	7.3%
- staff expenses	(1,119)	(1,028)	(91)	8.9%
- other administrative expenses	(771)	(734)	(37)	5.0%
Operating amortisation/depreciation	(141)	(143)	2	(1.4%)
Operating expenses	(2,031)	(1,905)	(126)	6.6%
Net allocation to provisions for risks and expenses	35	(13)	48	n.s.
- of which on commitments and guarantees	17	(8)	25	n.s.
Other operating expenses/income	223	195	28	14.4%
Total operating costs	(1,773)	(1,723)	(50)	2.9%

Operating costs amounted to EUR 1.8 billion, up by EUR 50 million (+2.9%) compared to December 2023.

Staff expenses amounting to EUR 1.1 billion increased by EUR 91 million compared to 2023. The increase in the item is mainly attributable to Salaries and Wages, which incorporates adjustment to new economic conditions envisaged by the new CCNL contract for cooperative credit employees, including a "one-off" component issued in July 2024 equal to approximately EUR 16 million.

The Group recorded an overall increase in other administrative expenses of EUR 37 million compared to the corresponding period last year, due on the one hand to an increase mainly driven by investments laid down in the Strategic Plan, in particular for technology and digital transformation, and on the other to a reduction associated with the lack of a contribution request to the Single Resolution Fund and DGS (Deposit Guarantee Schemes) for approximately EUR 38 million.

Depreciation/amortisation, amounting to EUR 141 million, was slightly lower than the figure from 2023 (-1.4%), while other operating expenses/income amounted to EUR 223 million, up on 2023 (+14.4%).

In December 2024, the overall Cost/Income, calculated as the ratio of operating costs to net interest and other banking income, stood at 58%, while the Group's Primary Cost/Income net of extraordinary and non-recurring items, stood at 53%, in line with the previous year.

4.4 - Financial position aggregates

Reclassified balance sheet⁶

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Cash and cash equivalents	603	579	24	4.1%
Net loans to banks	778	911	(133)	(14.6%)
Net loans to customers	48,614	47,898	716	1.5%
<i>of which at fair value</i>	95	126	(31)	(24.6%)
Financial assets	32,335	35,575	(3,240)	(9.1%)
Equity investments	54	54	-	0.0%
Tangible and intangible assets	1,350	1,306	44	3.4%
Tax assets	421	585	(164)	(28.0%)
Other asset items	2,882	2,671	211	7.9%
Total assets	87,037	89,579	(2,542)	(2.8%)
Due to banks	1,291	10,216	(8,925)	(87.4%)
Direct funding	73,287	69,002	4,285	6.2%
<i>- Due to customers</i>	66,309	63,299	3,010	4.8%
<i>- Debt securities in issue</i>	6,978	5,703	1,275	22.4%
Other financial liabilities	23	9	14	155.6%
Provisions (Risks, expenses and personnel)	487	522	(35)	(6.7%)
Tax liabilities	57	49	8	16.3%
Other liability items	2,512	1,561	951	60.9%
Total liabilities	77,657	81,359	(3,702)	(4.6%)
Group equity	9,380	8,220	1,160	14.1%
Consolidated equity	9,380	8,220	1,160	14.1%
Total liabilities and equity	87,037	89,579	(2,542)	(2.8%)

As at 31 December 2024, the Cassa Centrale Group's assets amounted to approximately EUR 87 billion (-2.8% compared to EUR 89.6 billion at December 2023) and consisted mainly of net loans to customers, which included loans measured at amortised cost and at fair value totalling EUR 48.6 billion, equal to 55.9% of total assets. Financial assets were down compared to the end of 2023, with net loans to banks at EUR 778 million, down compared to the end of the previous financial year, and the securities portfolio came down by more than EUR 3 billion due to repayment of the final TLTRO-III operations carried out by the European Central Bank.

Liabilities are mainly made up of direct funding from customers which in December 2024 stood at EUR 73.3 billion (+6.2% compared to EUR 69 billion in December 2023) and whose details are shown in the following table. Amounts due to banks, equal to EUR 1.3 billion, were significantly down compared to the figure at the end of the previous year (EUR -8.9 billion), and mainly refer to refinancing operations through the Eurosystem. Group equity was EUR 9.4 billion, including the profits made in the previous period.

⁶ In order to provide a better management representation of the results, the balance sheet figures differ from the layouts of the Financial statements envisaged by Bank of Italy Circular no. 262 of 2005, 8th update.

Reconciliation of consolidated balance sheet and reclassified balance sheet

(Figures in millions of euro)	31/12/2024	31/12/2023
Cash and cash equivalents	603	579
Item 10 (partial) - Cash and cash equivalents - Cash	603	579
Loans to banks	778	911
Item 10 (partial) - Cash and cash equivalents - Current accounts and deposits on demand to banks	108	155
Item 20a (partial) - Financial assets held for trading - Loans to banks	-	-
Item 20b (partial) - Financial assets designed at fair value - Loans to banks	-	-
Item 20c (partial) - Other financial assets mandatorily measured at fair value - Loans to banks	-	-
Item 30 (partial) - Financial assets measured at fair value through other comprehensive income - Loans to banks	-	-
Item 40a (partial) - Financial assets measured at amortised cost - Loans to banks (excluding debt securities)	670	756
Loans to customers	48,614	47,898
Item 20a (partial) - Financial assets held for trading - Loans (counterparties other than banks)	-	-
Item 20b (partial) - Financial assets designated at fair value - Loans (counterparties other than banks)	-	1
Item 20c (partial) - Other financial assets mandatorily measured at fair value - Loans (counterparties other than banks)	95	125
Section 30 - Financial assets measured at fair value through other comprehensive income - Loans (counterparties other than banks)	-	-
Item 40b (partial) - Financial assets measured at amortised cost - Loans to customers (excluding debt securities)	48,576	47,851
Item 60 - Fair value change of financial assets in hedged portfolios (+/-)	(57)	(79)
Financial assets	32,335	35,575
Item 20a (partial) - Financial assets held for trading - Debt securities, Equity securities, UCITS units and Derivative instruments	6	5
Item 20b (partial) - Financial assets designed at fair value - Debt securities	-	-
Item 20c (partial) - Other financial assets mandatorily measured at fair value - Equity securities, Debt securities and UCITS units	141	163
Item 30 (partial) - Financial assets measured at fair value through other comprehensive income - Debt securities and Equity securities	9,899	11,050
Item 40a (partial) - Financial assets measured at amortised cost - Loans to banks (debt securities)	427	641
Item 40b (partial) - Financial assets measured at amortised cost - Loans to customers (debt securities)	21,792	23,632
Item 50 - Hedging derivatives	70	84
Equity investments	54	54
Item 70 - Equity investments	54	54
Tangible and intangible assets	1,350	1,306
Item 90 - Tangible assets	1,242	1,222
Item 100 - Intangible assets	108	84
Tax assets	421	585
Item 110 - Tax assets	421	585
Other asset items	2,882	2,671
Item 80 - Insurance assets	-	-
Item 120 - Non-current assets and groups of assets held for disposal	1	1
Item 130 - Other assets	2,881	2,670
Total assets	87,037	89,579

(Figures in millions of euro)	31/12/2024	31/12/2023
Due to banks	1,291	10,216
Item 10a - Financial liabilities measured at amortised cost - Due to banks	1,291	10,216
Item 20 (partial) - Financial liabilities held for trading - Due to banks	-	-
Item 30 (partial) - Financial liabilities designed at fair value - Due to banks	-	-
Direct funding	73,287	69,002
- Due to customers	66,309	63,299
Item 10b - Financial liabilities measured at amortised cost - Due to customers	66,309	63,299
Item 20 (partial) - Financial liabilities held for trading - Due to customers	-	-
Item 30 (partial) - Financial liabilities designed at fair value - Due to customers	-	-
- Debt securities in issue	6,978	5,703
Item 10c - Financial liabilities measured at amortised cost - debt securities in issue	6,978	5,703
Other financial liabilities	23	9
Item 20 (partial) - Financial liabilities held for trading - Debt securities	-	-
Item 20 (partial) - Financial liabilities held for trading - Derivative instruments	7	4
Item 30 (partial) - Financial liabilities designed at fair value - Debt securities	1	1
Item 40 - Hedging derivatives	15	4
Provisions (Risks, expenses and personnel)	487	522
Item 90 - Provision for severance indemnity	80	90
Item 100 - Provisions for risks and charges	407	432
Tax liabilities	57	49
Item 60 - Tax liabilities	57	49
Other liability items	2,512	1,561
Item 50 - Adjustment of financial liabilities subject to macro-hedging	-	-
Item 70 - Liabilities associated with assets held for disposal	-	-
Item 80 - Other liabilities	2,512	1,561
Item 110 - Insurance liabilities (technical reserves)	-	-
Total liabilities	77,657	81,359
Minority interests	-	-
Item 190 - Minority interests (+/-)	-	-
Group equity	9,380	8,220
Item 120 - Valuation reserves	66	(20)
Item 130 - Repayable shares	-	-
Item 140 - Equity instruments	1	1
Item 150 - Reserves	7,663	6,889
Item 160 - Share premium	78	76
Item 170 - Equity	1,272	1,271
Item 180 - Own shares (-)	(868)	(868)
Item 200 - Profit (loss) for the year (+/-)	1,168	871
Consolidated equity	9,380	8,220
Total liabilities and equity	87,037	89,579

Total customer funding

(Figures in millions of euro)	31/12/2024	% impact	31/12/2023	Change	% change
Current accounts and deposits on demand	59,661	81.4%	57,588	2,073	3.6%
Fixed-term deposits	4,136	5.6%	3,049	1,087	35.7%
Repos and securities lending	1,651	2.3%	1,861	(210)	(11.3)%
Bonds	1,021	1.4%	956	65	6.8%
Other funding	6,818	9.3%	5,548	1,270	22.9%
Direct funding	73,287	100.0%	69,002	4,285	6.2%

The total amount of direct funding from customers of the Cassa Centrale Group was EUR 73.3 billion, for an increase of 6.2% (EUR +4.3 billion) compared to the previous year. The analysis of direct funding shows a prevalence of short-term funding from customers, represented by current accounts and deposits on demand, equal to EUR 59.7 billion, up compared to December 2023 (+3.6%).

Fixed-term funding, in the form of deposits, repos and bonds, amounted to EUR 6.8 billion, equal to 9.3% of total direct funding volumes, up compared to the previous year (EUR +942 million). At December 2024, repos include refinancing transactions on the market with the counterparty Euronext Clearing for a total of EUR 1.4 billion (compared to EUR 1.6 million in December 2023). The Bonds item the Group's eligible MREL issue, for a nominal value of EUR 700 million.

The "Other funding" component, which recorded an increase during the financial year of EUR +1.3 billion, reaching EUR 6.8 billion, is mainly represented by certificates of deposit. The growing component of certificates of deposit and fixed-term deposits amongst direct funding is driven by the Group's focus on responding to the diversified needs of customers and an increase in the time duration of direct funding itself.

(Figures in millions of euro)	31/12/2024	% impact	31/12/2023	Change	% change
Assets under management	28,169	57.4%	25,236	2,933	11.6%
Mutual funds and SICAVs	9,215	18.8%	8,092	1,123	13.9%
Asset management	10,638	21.7%	9,155	1,483	16.2%
Banking-insurance products	8,316	16.9%	7,988	328	4.1%
Assets under administration	20,908	42.6%	18,866	2,043	10.8%
Bonds	18,059	36.8%	16,435	1,624	9.9%
Shares	2,849	5.8%	2,430	419	17.2%
Indirect funding*	49,077	100.0%	44,101	4,976	11.3%

* Indirect funding is expressed at market values.

Indirect funding of the Cassa Centrale Group, valued on the market, amounted to EUR 49.1 billion in December 2024 (+11.3% compared to December 2023).

Assets under management, valued on the market, stood at EUR 28.2 billion, an increase on the comparative period (+11.6%). The incidence of the AUM segment on total indirect funding is 57%. The Bancassurance segment, life, investments and pensions continued the growth trend of traded volumes (+4.1% compared to the end of 2023).

Assets under administration amounted to EUR 20.9 billion in 2024, up by 10.8% compared to December 2023, driven both by the bond sector (+9.9%) and equity (+17.2%).

From the point of view of composition, although the largest volume is represented by assets under management, indirect funding reflects a balance between the individual forms of assets under administration and management, the result of policies of adequate and prudent diversification of investments implemented in favour of customers.

Percentage composition of funding

PERCENTAGE COMPOSITION OF FUNDING	31/12/2024	31/12/2023
Direct funding	59.9%	61.0%
Indirect funding	40.1%	39.0%

The Group's total funding, consisting of total assets under administration on behalf of customers, amounted to EUR 122 billion as at 31 December 2024 and consisted of 59.9% of direct funding with the remaining 40.1% represented by indirect funding. The managed assets component accounts for 23% of total volumes.

Net loans to customers

(Figures in millions of euro)	31/12/2024	% impact	31/12/2023	Change	% change
Loans at amortised cost	48,519	99.8%	47,772	747	1.6%
Mortgage loans	38,410	79.0%	37,950	460	1.2%
<i>of which adjustment for macro-hedging</i>	<i>(57)</i>	<i>(0.1%)</i>	<i>(79)</i>	22	<i>(27.9%)</i>
Current accounts	3,653	7.5%	3,726	(73)	(2.0%)
Other loans	3,961	8.2%	3,757	204	5.4%
Finance leases	900	1.9%	827	73	8.8%
Credit cards, personal loans and salary-backed loans	1,253	2.6%	1,185	68	5.7%
Impaired assets	342	0.7%	327	15	4.6%
Loans at fair value	95	0.2%	126	(31)	(24.6%)
Total net loans to customers	48,614	100.0%	47,898	716	1.5%

In December 2024 the Group's net loans to customers amounted to EUR 48.6 billion. Almost all of these are loans at amortised cost, amounting to EUR 48.5 billion, up (+1.6%) on December 2023. The aggregate consisted mainly of mortgages, which amounted to EUR 38.4 billion and accounted for 79.0% of total loans to customers, current accounts amounting to EUR 3.7 billion and other loans amounting to EUR 4.0 billion. There was a slight increase in impaired assets, which at December 2024 stood at EUR 342 million (EUR +15 million compared to the end of 2023).

Credit quality

The Group adopts a rigorous policy in the valuation of impaired loans. Part E of the Consolidated Explanatory Notes, to which explicit reference is made, provides details of all quantitative and qualitative information on risks and the related hedging policies. Loans granted to customers are the main sources of credit risk for the Group and require precise control and monitoring. A summary by degree of risk relating to loans to customers is provided below.

Customer loans

(Figures in millions of euro)	31/12/2024			
	Gross exposure	Writedowns	Net exposure	Coverage
Impaired exposures at amortised cost	1,793	(1,451)	342	80.9%
Non-performing	502	(465)	37	92.6%
Unlikely to pay	1,227	(960)	267	78.2%
Overdue/past due	64	(26)	38	40.6%
- of which forborne	769	(655)	114	85.2%
Performing exposures at amortised cost	48,864	(630)	48,234	1.3%
- of which forborne	663	(57)	606	8.6%
Total customer loans at amortised cost	50,657	(2,081)	48,576	4.1%
Adjustment of the assets subject to macro-hedging	(57)	-	(57)	0.0%
Impaired exposures at fair value	-	-	-	-
Performing exposures at fair value	95	-	95	0.0%
Total customer loans	50,695	(2,081)	48,614	4.1%

In December 2024, the Group had net loans to customers of EUR 48.6 billion, compared to a gross exposure of EUR 50.7 billion, and adjustment provisions totalling EUR 2.1 billion, allowing for an average portfolio coverage of 4.1%.

Net performing loans at the end of 2024 amounted to EUR 48.3 billion and accounted for 99.4% of total loans, while net impaired loans, amounting to EUR 342 million, accounted for 0.7%. These ratios confirm the attention of the Cassa Centrale Group to the management of impaired loans.

The impaired loan portfolio, in terms of net exposure, had at the end of December 2024 non-performing positions amounting to EUR 37 million written down by a total of EUR 465 million, and unlikely to pay amounting to EUR 267 million with value adjustments of EUR 960 billion, and overdue/past due for EUR 38 million with adjustments for EUR 26 million. Within impaired exposures, which are transversal to the degree of risk, there are forborne exposures of EUR 114 million, equal to 0.2% of total loans, a decrease of EUR 11 million compared to December 2023.

Performing loans, as at December 2024, show value adjustments of EUR 630 million, representing coverage of performing loans of 1.3%, confirmed as among the highest levels at systemic level. The item includes forborne positions of which the net value of EUR 606 million (1.2% of net loans), with a coverage ratio of 8.6% (12.5% as in December 2023).

The provisions for performing loans, together with the significant coverage of non-performing and unlikely to pay positions, which stood at 92.6% and 78.2% respectively (compared to 93.8% and 82.6% in December 2024), allow the Group to provide significant protection against credit risk.

For the sake of completeness, customer loans at the end of the previous financial year are summarised below:

(Figures in millions of euro)	31/12/2023			
	Gross exposure	Writedowns	Net exposure	Coverage
Impaired exposures at amortised cost	2,150	(1,823)	327	84.8%
Non-performing	627	(588)	39	93.8%
Unlikely to pay	1,462	(1,207)	255	82.6%
Overdue/past due	61	(28)	33	45.9%
- of which forborne	947	(822)	125	86.8%
Performing exposures at amortised cost	48,200	(676)	47,524	1.4%
- of which forborne	727	(91)	636	12.5%
Total customer loans at amortised cost	50,350	(2,499)	47,851	5.0%
Adjustment of the assets subject to macro-hedging	(79)	-	(79)	0.0%
Impaired exposures at fair value	-	-	-	
Performing exposures at fair value	126	-	126	0.0%
Total customer loans	50,397	(2,499)	47,898	5.0%

The table below shows the main credit risk management indicators⁷.

RISK MANAGEMENT RATIOS	31/12/2024	31/12/2023	Change
NPL ratio	3.5%	4.2%	(0.7%)
NPL coverage	80.9%	84.8%	(3.9%)
Texas ratio	16.6%	21.4%	(4.8%)

The NPL ratio as at 31 December 2024 was down on the figure from December 2023, with a value of 3.5%. This value confirms the improvement in asset quality that the Cassa Centrale Group has pursued in recent years, with a progressive and constant decrease in the stock of impaired loans, in line with the guidelines issued by the Supervisory Authority.

The constant attention paid to the valuation of NPLs is also reflected in the level of coverage of bad loans, where the Group records a level of NPL coverage of 80.9%, a value much higher than the national and European average, despite the slight drop compared to the end of December 2023.

The active management of impaired loans and their progressive reduction is reflected positively in the Group's Texas ratio, which in December 2024 stood at 16.6% (21.4% at the end of 2023).

⁷ The indices – NPL ratio, NPL Coverage and Texas ratio (which, as its numerator, considers gross impaired loans) – were calculated based on the EBA data model (EBA methodological guidance on risk indicators, last updated in October 2021).

Breakdown of the loan portfolio by sector of economic activity

(figures in millions of euro)	31/12/2024			31/12/2023		
	Gross exposure	Value adjustments	Net exposure	Gross exposure	Value adjustments	Net exposure
Central Governments	291	(3)	288	290	(1)	289
Financial and insurance companies	714	(10)	704	602	(17)	585
Non-financial corporations	23,701	(1,364)	22,337	23,814	(1,589)	22,225
Consumer households and other non-classifiable businesses	25,989	(704)	25,285	25,691	(892)	24,799
Total	50,695	(2,081)	48,614	50,397	(2,499)	47,898

In representing the loan portfolio by sector of economic activity, it is clear that the Cassa Centrale Group, reflecting the nature of the Affiliated Banks, has a prevalent allocation of loans to customers with counterparties represented by consumer households and non-financial corporations, which account for 52.0% and 45.9% of net exposures to customers, respectively.

Composition of financial instruments

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
SECURITIES PORTFOLIO				
Trading book assets (FVTPL)	141	163	(22)	(13.5%)
Financial liabilities measured at FV	(1)	(1)	-	0%
Banking book assets (FVOCI)	9,899	11,050	(1,151)	(10.4%)
Financial fixed assets excluding loans (AC)	22,219	24,273	(2,054)	(8.5%)
Total securities portfolio	32,258	35,485	(3,227)	(9.1%)
DERIVATIVES PORTFOLIO				
Trading assets (FVTPL)	6	5	1	20.0%
Trading liabilities (FVTPL)	(7)	(4)	(3)	75.0%
Total derivatives portfolio	(1)	1	(2)	n.s.
TOTAL FINANCIAL INSTRUMENTS	32,257	35,486	(3,229)	(9.1%)

As at 31 December 2024, the portfolio owned by the Group amounted to EUR 32.3 billion, slightly down compared to December 2023 (EUR -3.2 billion), reflecting the repayment of the last ECB TLTRO-III operations carried out by the European Central Bank.

Generally speaking, there was a decrease in all segments. Specifically, financial assets measured at amortised cost (EUR 22.2 billion) showed a EUR 2.1 billion decrease compared to the previous financial year, while banking book assets (FVOCI) fell EUR 1.2 billion to around EUR 9.9 billion.

OTC derivative activities are mainly related to hedging the interest rate risk of the Group's banking book and, residually, to brokerage carried out by the Parent Company on these types of instruments in favour of customer Banks.

Financial assets

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Debt securities	31,968	35,203	(3,235)	(9.2%)
- Obligorily measured at fair value (FVTPL)	7	7	-	0.0%
- Measured at fair value through other comprehensive income (FVOCI)	9,742	10,923	(1,181)	(10.8%)
- Measured at amortised cost (AC)	22,219	24,273	(2,054)	(8.5%)
Equity securities	176	146	30	20.5%
- Obligorily measured at fair value (FVTPL)	19	19	-	0.0%
- Measured at fair value through other comprehensive income (FVOCI)	157	127	30	23.6%
UCITS units	115	137	(22)	(16.1%)
- Obligorily measured at fair value (FVTPL)	115	137	(22)	(16.1%)
Total financial assets	32,259	35,486	(3,227)	(9.1%)

At 31 December 2024, the Group's financial assets were nearly entirely formed of debt securities (99.1%). The latter are mainly government securities of euro area countries or supranational issuers.

Net loans to the banking system: net financial position

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Net loans to Central Banks	642	577	65	11.3%
Net loans to other banks	136	334	(198)	(59.3%)
<i>Current accounts and deposits on demand</i>	103	151	(48)	(31.8%)
<i>Fixed-term deposits</i>	14	10	4	40.0%
<i>Other loans</i>	19	173	(154)	(89.0%)
Total loans (A)	778	911	(133)	(14.6%)
Due to Central Banks	(385)	(9,708)	9,323	(96.0%)
Due to other banks	(906)	(508)	(398)	78.3%
<i>Current accounts and deposits on demand</i>	(245)	(342)	97	(28.4%)
<i>Fixed-term deposits</i>	(39)	(32)	(7)	21.9%
<i>Repos</i>	(609)	(120)	(489)	n.s.
<i>Other loans</i>	(13)	(14)	1	(7.1%)
Total payables (B)	(1,291)	(10,216)	8,925	(87.4%)
NET FINANCIAL POSITION (A-B)	(513)	(9,305)	8,792	(94.5%)

In December 2024, total loans to banks amounted to EUR 778 million, a decrease compared to the end of the previous year (EUR -133 million). This figure mainly reflects the liquidity held on the ECB target account, amounting to EUR 642 million. Interbank funding of EUR 1.3 billion was significantly down by EUR -8.9 billion compared to the previous period, as a result of the repayment of the last TLTRO-III operations carried out by the European Central Bank.

Eurosysteem refinancing operations in December 2024 amounted to a total of around EUR 385 million, down sharply on the EUR 9.7 billion in 2023.

Fixed assets

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Equity investments	54	54	-	0.0%
Goodwill	27	27	-	0.0%
Tangible	1,242	1,222	20	1.6%
Intangible	81	57	24	42.1%
Total fixed assets	1,404	1,360	44	3.2%

Fixed assets as at 31 December 2024 amounted to EUR 1.4 billion (+3.2% compared to December 2023) and mainly consist of real estate for functional use. Other intangible assets are mainly represented by user licenses and software, while goodwill refers to assets with an indefinite useful life included in intangible assets, as detailed in part B of the consolidated explanatory notes.

Consolidated equity

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Share Capital	1,272	1,271	1	0.1%
Own shares (-)	(868)	(868)	-	0.0%
Share premium	78	76	2	2.6%
Reserves	7,663	6,889	774	11.2%
Valuation reserves	66	(20)	86	n.s.
Equity instruments	1	1	-	0.0%
Profit (loss) for the year	1,168	871	297	34.1%
Group equity	9,380	8,220	1,160	14.1%
Consolidated equity	9,380	8,220	1,160	14.1%

4.5 - Reconciliation between the Parent Company's equity and profit for the period and the consolidated equity and profit for the period

	Equity	Result for the period
Accounting balances of the Parent Company	1,221	37
Effect of the consolidation of subsidiaries	8,093	1,188
Effect of the measurement of associates using the equity method	55	(1)
Reversal of write-downs of equity investments and recognition of goodwill impairment	(25)	2
Elimination of dividends received from subsidiaries and associates		(58)
Other consolidation adjustments	36	-
Balances as per the consolidated financial statements	9,380	1,168

4.6 - Own funds and capital adequacy

Own funds and capital ratios

OWN FUNDS AND CAPITAL RATIOS	31/12/2024	31/12/2023
Common Equity Tier 1 capital - CET1	9,087	8,114
Tier 1 capital - TIER 1	9,088	8,115
Total own funds - Total Capital	9,088	8,115
Total risk-weighted assets	33,887	33,001
CET1 Capital ratio (Common equity Tier 1 capital/Total risk-weighted assets)	26.82%	24.59%
Tier 1 Capital ratio (Tier 1 capital/Total risk-weighted assets)	26.82%	24.59%
Total Capital Ratio (Total own funds / Total risk-weighted assets)	26.82%	24.59%

Risk Weighted Assets

(Figures in millions of euro)	31/12/2024	31/12/2023	Change	% change
Credit and counterparty risk	27,613	27,549	64	0.2%
Credit valuation adjustment risk	43	35	8	22.9%
Market risk	154	73	81	111.0%
Operational risk	6,077	5,344	733	13.7%
Total RWA	33,887	33,001	886	2.7%

Own funds, risk-weighted assets and solvency ratios at 31 December 2024 were determined on the basis of the prudential regulations applied to investment banks and companies and contained in Directive 2013/36/EU (CRD IV) and in Regulation (EU) 575/2013 (CRR) of 26 June 2013, as amended by Directive 2019/878/EU (CRD V) and by Regulation (EU) 2019/876 (CRR II), respectively.

Own funds

Total own funds of the Cassa Centrale Cooperative Banking Group consist of Tier 1 (T1) capital and Tier 2 (T2) capital. Specifically, Tier 1 capital consists of the sum of Common Equity Tier 1 (CET1) capital and Additional Tier 1 (AT1) capital.

The aforesaid aggregates include the effects of the IFRS 9 transitional regime, which, as at 31 December 2024, exclusively consists of the component arising from the dynamic approach, as introduced by Regulation (EU) 2017/2395 and amended by Regulation (EU) 873/2020 (so-called Quick Fix).

The adjustment to CET1, which provides for the re-inclusion of the “dynamic” component, took place for the current year after application of the aforesaid regime, in the amount of 25%.

In addition, as permitted by Regulation (EU) 2024/1623, published in the Official Journal of the European Union on 9 July 2024, from the third quarter of 2024, the quantification of these balance sheet aggregates, having adopted the option of the sterilisation of unrealised profits and losses on government securities in the FVOCI portfolio, the Group has taken into account the relevant effects on CET1.

The aforementioned filter enables sterilisation of unrealised profits and losses accrued from 31/12/2019 on government securities and similar instruments classified in the FVOCI portfolio. Adjustment of the CET1 in relation to this component is applicable for the period from 30/09/2024 to 31/12/2025 and involves re-inclusion in CET1 of unrealised components at 100% for each of the 2 years of the transition period.

The option is symmetrical, meaning that it provides in equal measure for the sterilisation of unrealised profits and losses.

At 31 December 2024, in line with previous periods, own funds also took account of the deduction made following the authorisation received from the ECB to reduce own funds instruments for a predefined amount through the repurchase or repayment of Common Equity Tier 1 capital instruments.

Own funds also took account of the applicable amount, subject to deduction from CET1, correlated to the minimum loss coverage on impaired exposures (MLC), on the basis of the provisions of Regulation (EU) no. 680/2019.

At 31 December 2024, the CET1, determined in accordance with the aforementioned standards and references, stood at EUR 9,087 million. Tier 1 amounted to EUR 9,088 million.

Own funds therefore amounted to EUR 9,088 million. Of the latter, CET1, which nearly accounts for the total (99.99 % of the total), has increased compared to the end of 2023 by a total of EUR 973 million (11.99%) due to the algebraic sum of the performance of several of its constituent main items. In particular:

- the increase in profit reserves (EUR +1,018 million), attributable to the profit in 2024 included in CET1 (EUR +1,018 million), following the authorisation granted by the ECB on 10 February 2025, and the increase in OCI Reserves (EUR +85 million);
- the reduction of the transitional regime (EUR -127 million) deriving from the lower contribution of the dynamic component (from 50% to 25%) and the effects of application, from 30 September 2024, of the transitional regime relating to unrealised profits and losses on government securities classified in the FVOCI portfolio (EUR -28 million);
- changes in other items of CET1 were marginal.

The other two Own Fund aggregates, the Additional Tier 1 and Additional Tier 2 components recorded no changes in the period compared to 31 December 2023.

Risk-weighted assets

Risk-weighted assets at 31 December 2024 amounted to EUR 33,887 million, up 2.68% compared to the figure as at 31 December 2023 (EUR 33,001 million).

Additionally, from Q4 of 2022, for the purposes of calculating the capital requirements in relation to credit risk, the use of the external ratings issued by a recognised ECAI has not only been extended to the central governments or Central Banks portfolio and exposures to securitisation, but also to the regulatory portfolios exposures to entities and exposures to companies.

Following this change, the adopted rating agencies are as follows, grouped by relevant segment:

- central governments or Central Banks: Moody's;
- exposures to securitisation: Moody's;
- exposures to Entities: Moody's;
- exposures to companies: CRIF ratings.

This choice is based on the more general framework of a progressive optimisation of risk-weighted assets, launched by the Group in 2022.

Solvency ratios

As for the solvency ratios, the CET1 capital ratio stood at 26.82% (24.59% in December 2023), the Tier 1 capital ratio was 26.82 % (24.59% in December 2023) and the total capital ratio was 26.82% (24.59% in December 2023). Excluding the effects of transitional regimes, with a view to full application of prudential provisions at the same reference date, fully loaded CET1 capital amounted to EUR 9,049 million and the related fully loaded CET1 capital ratio is 26.75%; fully loaded Tier 1 capital amounted to EUR 9,050 million and the related fully loaded Tier 1 capital ratio is 26.76%; and finally, Total capital fully loaded amounted to EUR 9,050 million and the related fully loaded Total Capital ratio was 26.76%.

In this regard, it is noted that following the decision reached on 26 April 2024 by the Bank of Italy in its role as designated national authority and following public consultation, a capital buffer was established against systemic risk equal to 1% of relevant exposure, applicable at individual and consolidated level.

Specifically, from the 31 December 2024, the transitional coefficient of 0.5% is applicable and from 30 June 2025, the full coefficient of 1% will be applied in line with the relevant regulatory provisions.

5. Main strategic business areas of the Cassa Centrale Group

The Cassa Centrale Group has developed its business and service model through an organisational structure divided into two main areas:

- the Affiliated Banks, which represent the Group's core business through the management of banking activities in the territory;
- the Industrial Group, including the Parent Company and the Companies that offer services to Affiliated Banks in finance, credit, insurance, ICT, NPLs and asset management.



* The Industrial Group refers to a management representation of the main strategic areas of the Group that contribute to the economic and financial results summarised below.

The definition of strategic business areas is consistent with the methods adopted by the governance function for making operational and strategic decisions and is based on internal management reporting.

5.1 - Affiliated Banks

The affiliated banks represent the most important part of the Cooperative Banking Group's consolidated assets and the strength of the Group's current and future development. The Affiliated Banks traditionally operate with the aim of fostering the development of communities and the local economy. The principles of mutuality, which characterise Cooperative Credit, allow the Banks to play a fundamental role in the national banking industry and be an important reference point for households and small and medium-sized enterprises (hereinafter also "SMEs").

The Group's Strategic Plan aims to develop relationships with households and SMEs by making the most of the territorial network and exploiting synergies, the expansion of the commercial offer and economies of scale resulting from belonging to a Group of national importance.

In general, the structure of Cooperative Credit Banks reflects the nature of territorial banks, characterised by high customer funding deriving from historical ties with the territory to which they belong, a prevalence of loans to counterparties represented by households and small companies and a low loan-to-deposit ratio which, from a liquidity perspective, reflects the structural soundness of the Group and the investment of excess liquidity mainly in government bonds.

Below is a summary representation of the main income statement and financial aggregates of the Affiliated Banks, with a focus on the individual territorial areas in which the Group operates.

Loans to customers of Affiliated Banks

(figures in millions of euro)	31/12/2024					Total 31/12/2024	Total 31/12/2023	Change	% change
	Trentino- Alto Adige	North East	North West	Central	South and the Islands				
Gross customer loans	10,128	10,963	10,639	11,063	5,020	47,813	47,787	26	0.1%
of which performing	9,715	10,627	10,289	10,673	4,772	46,076	45,698	378	0.8%
of which non-performing	413	336	350	390	248	1,737	2,089	(352)	(16.9%)
Value adjustments	489	425	395	413	267	1,989	2,402	(413)	(17.2%)
Net customer loans	9,639	10,538	10,244	10,650	4,753	45,824	45,385	439	1.0%

Gross customer loans of the Affiliated Banks totalled EUR 47.8 billion as at 31 December 2024, basically in line with the end of the previous financial year 2023 (+0.1%).

The regional analysis of the credit disbursed confirms that the operations of the Affiliated Banks are mainly concentrated in the northern part of Italy, in line with the territorial structure of the branches of the Cassa Centrale Group. Looking in detail at the various geographical areas into which the Group is divided, the allocation is homogeneous in four of the five areas, with the exception of the South and Islands areas which, has a lower incidence on total loans due to the smaller average size of each Affiliated Bank operating in that area.

During 2024, performing loans of the Affiliated Banks saw an increase of EUR 378 million (+0.8%), with mixed dynamics across the various territorial areas. In particular, there was a decrease in Trentino-Alto Adige (-2.3%), stability in the North West (+0.5%), and increases in the Central (+1.4%), South and Islands (+1.4%) and North East areas (+3.4%).

At the counterparty level, the significant exposure of the overall credit disbursed to households and local small and medium-sized enterprises was confirmed, demonstrating the central role of the Affiliated Banks in supporting the growth of the territory.

In 2024, the active management of impaired loans continued in line with the Cassa Centrale Group's strategy, making it possible to significantly reduce total non-performing volumes (-16.9% compared to the figure at the end of December 2023). In general, the ratio of impaired loans to gross loans to customers fell 3.6%, compared to figures from the end of 2023, with a regional trend that varied from 3.1% in the North East area to 4.9% in the South and Islands.

Confirming a strategy of the Cassa Centrale Group that is particularly attentive to credit risk management, and in the presence of a decrease in the total stock of impaired loans, provisions on bad loans of the Affiliated Banks stood at 81%, a slight decrease compared to 85% at the end of 2023. The average coverage levels of the Affiliated Banks remain among the highest in the national banking system.

Affiliated Banks funding

(Figures in millions of euro)	31/12/2024					Total 31/12/2024	Total 31/12/2023	Change	% change
	Trentino- Alto Adige	North East	North West	Central	South and the Islands				
Overall funding	26,090	24,261	27,020	22,574	9,557	109,502	101,188	8,314	8.2%
Direct funding	15,853	15,487	16,383	14,404	7,700	69,827	65,682	4,145	6.3%
Indirect funding*	10,237	8,774	10,637	8,170	1,857	39,675	35,506	4,169	11.7%
<i>of which administrated</i>	<i>3,534</i>	<i>2,944</i>	<i>4,706</i>	<i>3,180</i>	<i>1,305</i>	<i>15,669</i>	<i>13,798</i>	<i>1,871</i>	<i>13.6%</i>
<i>of which managed</i>	<i>6,703</i>	<i>5,830</i>	<i>5,931</i>	<i>4,990</i>	<i>552</i>	<i>24,006</i>	<i>21,708</i>	<i>2,298</i>	<i>10.6%</i>

* Indirect funding is expressed at market values

Overall funding of the Affiliated Banks stood at EUR 109.5 billion as at 31 December 2024, +8.2% compared to the end of 2023, showing the ability to attract new funding even in a unique economic phase such as the current phase.

Direct funding stood at EUR 69.8 billion, an increase of EUR 4.1 billion (+6.3%) compared to the previous financial year despite the continuing contribution of returns on government bonds.

At area level, the annual performance of direct funding increased for all geographic areas, ranging from Trentino-Alto Adige (+4.5%) to the North West (+8.8%).

The breakdown of direct funding among regional areas continued the trend described above for credit volumes.

The different regional areas show a structural surplus of resources in the ratio of lending to funding, which results in a high degree of liquidity for the Affiliated Banks and for the Cassa Centrale Group. The prudent approach to the investment of resources raised by depositors historically characterises the operations of the BCC-CR-RAIKAs.

Total indirect funding of the Affiliated Banks increased to EUR 39.7 billion⁸ (+11.7% year-on-year), driven by the returns on government bonds, which increased the stock of indirect funding under administration, as well as net funding accompanied by the market effect on indirect funding from the managed segment.

The impact of indirect funding on total funding was 36.2%, up compared to 35.1% at the end of 2023. The regional analysis shows that indirect funding as a percentage of total funding ranges from 39.2% in the Trentino-Alto Adige and North West areas to 36.2% in the North East and Centre, except for the South and Islands, where the ratio is 19.4%.

Looking specifically at the breakdown of indirect funding, the managed assets and insurance segment accounts for 61% of total indirect funding (in line with the end of 2023). This dynamic reflects the trend in indirect funding under administration described above.

The asset management, funds and SICAVs segment is still growing (+14.4%). The Bancassurance segment continued the trend of constant growth (+4.0% YoY).

Indirect funding from the managed segment remains a central objective for the Cassa Centrale Group, given the significant growth margins available to the Affiliated Banks compared to the rest of the banking industry, having historically favoured the placement of direct funding products in the past. The growth in this segment has been driven and accompanied by important investments in the specialist training of staff of the Affiliated Banks in order to increase their ability to offer Shareholders and customers a high level of advisory support. These investments, supported by the careful research of the Industrial Group's com-

⁸ Indirect funding is expressed at market values.

panies for products suitable for BCC-CR-RAIKAs' shareholders and customers, is gradually closing the gap with the system, while maintaining a high level of attention to the quality of the overall service offered to the savings customer.

Margins and commissions of Affiliated Banks

(figures in millions of euro)	31/12/2024					Total 31/12/2024	Total 31/12/2023	Change	% change
	Trentino- Alto Adige	North East	North West	Central	South and the Islands				
Net interest income	555	499	523	484	282	2,343	2,294	49	2.1%
Net fees and commissions	138	156	175	161	73	703	678	25	3.7%
Net interest and other banking income	616	604	659	604	341	2,824	2,640	184	7.0%

The net interest income of the Affiliated Banks in December 2024 totalled EUR 2.3 billion, recording a +2.1% increase compared to 2023, driven by the growing contribution of lending as a result of the trend in market rates. The contribution of the proprietary portfolio was relevant also thanks to the active management of the portfolio in light of current returns. In the interbank sector, compared to December 2023, significantly lower negative interest was recorded as a result of the last TLTRO-III operations carried out by the European Central Bank.

Overall, as a result of the above, the contribution of the net interest income to the overall profitability of the Affiliated Banks decreased to 83% of net interest and other banking income (compared to 87% at December 2023).

The net commissions of the Affiliated Banks totalled EUR 703 million in 2024, up +3.7% compared to the end of 2023.

The commission margin contributes 25% on average to net interest and other banking income, with a regional incidence ranging from 27% in the North West and Centre to 21% in the South and Islands areas.

The trend of the net interest and other banking income of the Affiliated Banks (+7.0% compared to the previous year) is completed by the contribution from dividend and similar income, while the item relating to trading in the Affiliated Banks' own securities portfolio was negative, as a result of changes in the securities portfolio.

This development is carried out with a strong focus on the protection of shareholders and customers in compliance with the cooperative principles that are the basis of the operations of the Affiliated Banks. This development is carried out with a strong focus on the protection of shareholders and customers in compliance with the cooperative principles that are the basis of the operations of the Affiliated Banks.

5.2 - Industrial Group

The Industrial Group is represented by the Parent Company and the subsidiaries and associates that operate in different areas of activity, namely:

- ICT and back office services, with the subsidiary Allitude S.p.A. (hereinafter also "Allitude");
- leasing services, with the subsidiary Claris Leasing S.p.A. (hereinafter also "Claris Leasing" or "Claris");
- insurance services, with the subsidiaries Assicura Agenzia S.r.l. and Assicura Broker S.r.l. (hereinafter also "Assicura Agenzia" and "Assicura Broker");
- collective asset management services, with the subsidiary Nord Est Asset Management S.A. (hereinafter also "NEAM");
- consumer credit services, with the subsidiary Prestipay S.p.A. (hereinafter also "Prestipay");

- other ancillary services, with the subsidiaries Centrale Soluzioni Immobiliari S.r.l. in liquidazione, Claris Rent S.p.A. and Centrale Trading S.r.l.

The main income statement and balance sheet aggregates of the Industrial Group as at 31 December 2024 are shown below.

Loans to customers of the Industrial Group*

(Figures in millions of euro)	Total 31/12/2024	Total 31/12/2023	Change	% change
Gross customer loans	2,882	2,608	274	10.5%
of which performing	2,825	2,547	278	10.9%
of which non-performing	57	61	(4)	(6.6%)
Value adjustments	92	95	(3)	(3.2%)
Net customer loans	2,790	2,513	277	11.0%

* Management data including all intra-group eliminations.

With reference to loans to customers, the Industrial Group's contribution mainly refers to the brokerage activities of the Parent Company and its subsidiaries Claris Leasing and Prestipay.

Gross loans to customers totalled about EUR 2.9 billion, up EUR 274 million on the end of the previous year (+10.5%). Specifically, there was growth in the portfolio of the Parent Company, Prestipay (which continues to expand its consumer credit service) and, albeit to a lesser extent, Claris Leasing. It is noted that performing customer loans include exposures in margins paid in cash and default funds to Euronext Clearing, up (+27%) compared to the previous financial year, in the context of market refinancing transactions in the form of repos.

Total gross allocations came to approximately EUR 92 million, in line with the EUR 95 million at the end of 2023.

As a whole, net loans to customers of the Industrial Group grew by EUR 277 million compared to the end of 2023 (+11.0%), reaching approximately EUR 2.8 billion.

Industrial Group funding*

(Figures in millions of euro)	Total 31/12/2024	Total 31/12/2023	Change	% change
Overall funding	12,862	11,914	948	8.0%
Direct funding	3,460	3,320	140	4.2%
Indirect funding**	9,402	8,594	808	9.4%
of which administrated	5,239	5,067	172	3.4%
of which managed	4,163	3,527	636	18.0%

* Management data in the table including all intra-group eliminations.

** Indirect funding are expressed at market values; ETF financial products are included in the segment.

Total funding of the Industrial Group stands at EUR 12.9 billion and is almost entirely attributed to the Parent Company.

Direct funding (EUR 3.5 billion) was up on the EUR 3.3 billion at the end of 2023.

Indirect funding was EUR 9.4 billion, with around EUR 4.2 billion (44%) represented by the assets under management segment (with transactions mainly related to asset management products), while assets under administration amounted to EUR 5.2 billion and represents around 56% of total indirect funding, with transactions mainly on the bond market. Assets under administration and assets under management both increased compared to the figure at the end of the previous year, +3.4% and +18% respectively.

Margins and commissions of the Industrial Group*

(Figures in millions of euro)	Total 31/12/2024	Total 31/12/2023	Change	% change
Net interest income	113	102	11	10.8%
Net fees and commissions	134	117	17	14.5%
Net interest and other banking income	211	194	17	8.8%

* Management data in the table includes all intra-group eliminations and the residual economic results of fully consolidated entities other than the cohesion agreement.

Net interest and other banking income as at 31 December 2024 was up on the previous financial year, at EUR 211 million (+8.8%). The breakdown is nearly unchanged compared to 2023. The interest margin contributed 53.6%, with the commission margin contributing 63.5% (against 52.6% and 60.3% in the previous year, respectively).

In particular, the net interest income amounted to EUR 113 million and was up on the EUR 102 million of the previous year. Net fees and commissions totalled EUR 134 million, an increase of EUR 17 million compared to the end of 2023.

Below is a brief review of the Industrial Group, with particular focus on the activities carried out by the Parent Company and the service companies supporting the Affiliated Banks.

5.2.1 - Parent Company

The formation of the Group enriched the offer of financial products and services and strengthened the financial risk monitoring for the entire Group. The range of services offered by Cassa Centrale Banca is divided into the following areas:

- Finance;
- Credit;
- Payment systems;
- Governance and support.

5.2.1.1 Finance

In the Finance sector, Cassa Centrale Banca offers its Affiliated Banks and client Banks a complete range of services and products for access to financial markets and for offering depositing customers multiple investment solutions.

Cassa Centrale Banca offers services to access the main bond, equity and derivatives markets for retail customers and for management of the owned portfolio. In 2024, it carried out transactions on bond markets for approximately EUR 45.7 billion (up by approximately 21% compared to 2023) and stock markets for approximately EUR 4.5 billion (up 52% compared to 2023).

As regards the commercial offer aimed at customers, Cassa Centrale Banca provides the Banks with financial products and services used in the context of advisory activities. This quality catalogue is updated over time with developments and implementations intended to remain competitive on the market.

The main products and services offered are:

- **Asset Management:** Cassa Centrale Banca's Asset Management closed 2024 with EUR 13.3 billion⁹ in assets under management and over 107 active accounts. Funding has been positively affected by the reintroduction of the PIP CASH option, which allowed the Affiliated Banks to offer – alongside the portfolio management service – remuneration of cash from time to time in the management account. For the Affiliated Banks, the six-month period closed with positive funding of EUR 535 million, despite the strong appeal of Italian government securities, where a significant portion of customers' investments were focused. This, alongside a favourable market effect, made it possible to increase total AuM. The trend on the main financial markets in 2024 led to a consistent general improvement in the performance of management lines, with results growing progressively on the basis of the stock component of the portfolio. Portfolios remained oriented towards quality: on the bond front, the main investment was aimed at government bonds of developing countries and European corporate investment-grade issues, while on the stocks front, the US and European markets characterise positions. As part of its decisions on investments referring to the portfolio management lines offered to customers, Cassa Centrale Banca adopts a series of measures in order to integrate and assess the risks and main negative effects on sustainability factors. These measures have made it possible to classify the management lines as financial products that promote, among other things, environmental or social characteristics or a combination of the two ("light green" financial products) and take into consideration the main negative effects on sustainability factors through the detection and monitoring of specific indicators linked to environmental and social issues.
- **Funds Partner:** the fund placement platform called Funds Partner is available to Affiliated Banks and includes the NEF Fund as well as third-party funds. This is a useful tool for advisors who can access a universe of around 3 thousand funds available through a platform on which Cassa Centrale Banca has activated a process of definition and maintenance of the list of funds that can be placed (funds with capitalisation of less than EUR 100 million and a track record of less than 3 years are excluded). The platform offers numerous tools, the reporting provided by the 14 investment houses. For these houses, Cassa Centrale Banca also carries out the service of entity appointed to perform payments. For the Affiliated Banks, assets placed up to the end of 2024 amounted to around EUR 5.5 billion with regard to NEF and EUR 3.0 billion for third parties.
- **Certificates:** during 2024 placing activity for these instruments was consolidated, including through recourse to products with protected capital that enabled greater distribution across Affiliated Banks. Funding for the year closed at EUR 64 million with 17 products placed.
- **Private Market instruments:** in 2024, Cassa Centrale Banca signed a distribution agreement with a specialised platform, aimed at the placement of private-market investment instruments (Alternative Investment Funds), which is a sector with notable growth. Cassa Centrale Banca is responsible for the selection of instruments to make available to the Affiliated Banks.
- **Advanced Advisory services:** the advanced advisory service is provided to customers of 13 Banks. Cassa Centrale Banca supports these Banks as advisor in identifying the best investment strategies.

Participation in the **CCB#LIVE** webinar hosted on the digital platform Teams continued. The show discusses market trends, strategies on management lines, market views by Cassa Centrale Banca managers and NEF partner managers, and the analysis of funds and bancassurance products/services. The event is held fortnightly with an average participation of over 700 consultants from the Placement Banks. The annual Finance and Bancassurance event held in Trento last October was also of strategic importance. During the event, evolution strategies for the Group's financial and insurance advisory model were shared with the affiliated banks.

⁹ The amount refers to Asset Management opened directly with Cassa Centrale Banca for approximately EUR 3.6 billion, Asset Management placed through Affiliated Banks and Customer Banks for approximately EUR 7.8 billion, Institutional Asset Management for approximately EUR 760 million and pension funds, for which Cassa Centrale Banca has delegated management powers for EUR 1.2 billion.

Specialist **training** activity on the network of financial and insurance advisors of the Affiliated Banks remained in full swing, alongside financial/insurance education initiatives (including sustainable finance) with customers.

Project to change the model for the provision of financial advice and insurance check-ups

The consolidation and development of the investment services provision model continued. After releasing the new MiFID customer profiling questionnaire in 2023 in line with the most recent regulatory developments and ESMA and Consob indications, during 2024 a check-up was released that will be further implemented in 2025, so as to integrate the insurance coverage needs of the customer with the requirements of financial planning. Specific training initiatives were carried out to implement the changes in the networks of the Affiliated Banks.

With reference to financial consulting, the process for definition of releases planned for 2025 was completed with Allitude.

5.2.1.2 – Credit

Cassa Centrale Banca's Credit Department, which provides support to its Affiliated Banks and Group companies in their lending activities and guides the credit direction and coordination of the Cooperative Banking Group, has redefined the credit policy guidelines in a general and sector macroeconomic framework that remains affected by elements of uncertainty.

The Group's Credit Strategy is geared towards supporting the economy and the needs of the territories in which the individual affiliated Banks and the Group Companies operate, with a particular focus on granting credit to households and small and medium-sized enterprises, with an approach characterised by a moderate risk appetite.

The credit strategy involves assignment of loans carried out in line with the goal of maximising, to the benefit of the relevant areas, the efficient allocation of shared assets, to be performed in each instance in compliance with the limits defined by the RAF and RAS approved by the Board of Directors of the Parent Company, taking into consideration the changing context, macroeconomic, geopolitical and sector-focused outlooks and the Group's exposure to ESG risk factors and the corresponding goals defined at Group level.

The Credit Strategy aims to ensure that the granting of loans at Group level is consistent with:

- the cooperative role of the Group, enacted through the support of its Shareholders and the local community, aimed at ensuring:
 - responsible and sustainable growth of the territory;
 - the adoption, when granting loans, of responsible conduct, fully adhering to the social role of the territorial Bank, centred around on the assessment of the prospective sustainability of debt;
 - the systematic and proactive management of exposure to risk;
- the objectives of the Group's Strategic Plan and the mutual aims of the Cassa Centrale Cooperative Banking Group;
- the safeguarding of the assets of Group's Companies.

The main objectives of the Parent Company Credit Department's activities can be summarised as follows: (i) optimising the asset allocation of the portfolio in qualitative and quantitative terms; (ii) strengthening the sales network and repositioning its lending operations; (iii) maximising the use of public guarantees; (iv) preventing the deterioration of credit quality; (v) adopting a forward-looking approach with the objective of incorporating the sectoral and micro-sectoral forecasts into assessment of business resilience, through prospective estimates of companies' financial statements; (vi) implementing the credit appraisal process with methodologies intended to incorporate exposure to ESG risks.

Credit-policy guidelines, which already lay down indications regarding assessment of the impacts of ESG risk factors, have been integrated into the Group Policy on ESG aspects in relation to granting of loans, which contains: i) criteria to be applied, with particular reference to the sectors with the highest level of climate and environmental risk, ii) the characteristics of sustainable loans and iii) the focus of the Cassa Centrale Group on specialised training in this area. Additionally, the Parent Company

has established a competence centre dedicated to assessment of ESG aspects for credit transactions carried out by the affiliated Banks of the Group.

In providing the newly originated loans the utmost attention is still paid to credit quality, product, geographical and above all dimensional diversification. In fact, the dimensional aspect is considered of fundamental importance and represents the cornerstone of the Group's credit product strategy. The logic of spreading the risk over a multitude of small recipients, which has always been the main component of the credit approach of the Affiliated Banks, has been strengthened with the introduction of risk thresholds and through an operational practice pursued in the day-to-day relationships between the Group's corporate structures and the Credit Departments of the individual Affiliated Banks. More space was also given to distributed products (leasing, factoring, personal loans and salary-backed loans) due to their lower risk profile compared to similar banking transactions. With regard to the specific lending activities supported by the public guarantees system, new agreements were activated to allow for access to new forms of guarantee intended to incentivise the implementation of investments in line with the Taxonomy objectives (SACE Green) and the development of businesses in strategic sectors for the national economy (SACE Future).

During 2024, the Cassa Centrale Group continued to play a leading role in the territories served by its Affiliated Banks in supporting households and small businesses engaged in the energy upgrading of buildings. With reference to acquisitions of tax credits from customers, a decrease was recorded compared to previous years, including as a result of regulatory measures implemented by the Government, which have introduced limitations on the Group's offsetting capacity and thus its tax capacity.

As regards subsidised credit, in 2024 Cassa Centrale Banca signed:

- a Memorandum of Understanding between *Agenzia Veneta per i Pagamenti in Agricoltura* (Veneto Agency for Payments in Agriculture - AVEPA), Cassa Centrale Banca and the main Group banks operating in the regional territory of Veneto for the prepayment, through a concessional loan, of the contributions intended for agricultural companies with the right to payment entitlements;
- an Agreement with the Puglia Region for *MiniPia (Pacchetti Integrati di Agevolazione - Integrated Subsidy Packages)*, in order to facilitate access to credit by small enterprises, to support the positioning of small Italian and international enterprises and to develop regional employment, including female employment;
- an Agreement with Fondo Veneto Competitività – “Transition Section” that supports innovative programmes aimed at introducing technological product and process innovations, to modernise machinery and systems and to accompany company reorganisation and restructuring processes, including from the perspective of the promotion of digitisation and reconversion of production activities towards a model of circular economy and sustainable development;
- a Memorandum of Understanding with ANFIR (Italian National Association of Regional Financial Companies) and the Cassa Centrale Group, with the aim of reinforcing the existing collaboration across the country and accompanying the development of businesses through the identification of specific products, meeting the needs of the business fabric, and in synergy with the instruments managed by individual financial companies based on public and own funds;
- an Addendum to the Agreement with ENM (Italian National Microcredit Body) in order to aid the Affiliated Banks in identifying specialised partners for the provision of auxiliary microcredit services – according to current regulations;
- an Agreement with SACE for the use of the SACE Future Guarantee. First demand public guarantee that will allow all Group Banks to support business investments related to growth projects on the global markets, to support technological innovation and the digitisation process, to invest in infrastructure and sustainability, in strategic supply chains and in economically disadvantaged areas;
- an agreement with Finanziaria Ligure for Sviluppo Economico S.p.A. (F.I.L.S.E.) to establish a Guarantee Fund for works aimed at overcoming the damage caused by the extreme weather events of November 2023;
- an agreement with Finanziaria Ligure for Sviluppo Economico S.p.A. (F.I.L.S.E.) to establish a Guarantee Fund for construction work;
- a Memorandum of Understanding with Compagnia delle Opere aimed at promoting possible cooperation between local CDO branches and individual affiliated Banks, which could lead to these parties entering into collaboration agreements on a local basis to facilitate the provision of banking products and services to CDO Members with special terms.

Foreign Relations

During the year, the Group's Banks were offered the new contract for the granting of loans in foreign countries (advances and import loans), Documentary Credit and First Demand International Guarantees. This contractual review required changes to be made to the SIB2000 operating procedures in order to bring them into line with the new regulatory framework and to integrate them with the documentation to be provided to the customers and banking transparency.

In addition, to better meet the requirements of a more demanding clientèle, the "advance invoices Italy" procedure was adapted to also permit advance foreign invoices in euros. There was also distribution of the new contracts required to govern this new operational activity.

Finally, in the context of migration to the new XML messaging procedures introduced by SWIFT and ESMIG, new messages (camt.105 and camt.106) were introduced for the management of expenses with foreign banks and the formats of other messages were aligned with the 2024 release, which introduces small amendments/improvements to existing messaging on an annual basis.

5.2.1.3 Payment systems

From 2024, activities involving payment systems fall within the remit of the Operations Department.

The payment systems market continues to be affected by strong renewal and high competitiveness. There has been growing use of digital payments on channels provided by banks or innovative solutions offered by new operators joining the markets. In this highly dynamic environment, Payment Systems for the Cassa Centrale Group are a service and support structure for the Group's Banks and operate on the following areas of activity: (i) regulations, (ii) centralised services, (iii) general governments treasury, and (iv) e-money to develop new services to be provided by the Affiliated Banks to allow them to be competitive and retain their customers.

Settlements

Numerous working groups were launched to implement the necessary measures to satisfy the highest number of regulatory developments and the many projects.

In particular:

- European Digital Euro project: collaboration continues with the various nation working groups coordinated by ABI for identification of the potential impacts of adopting digital currency and simulation of possible use cases;
- Instant Payments regulation: continuation of analysis and preparation of the IT system for harmonisation of economic conditions for users; Analysis of different implementation actions required for the expansion of distribution and acceptance channels; identification and comparison of innovative verification of payee (VoP) suppliers and services;
- PSR and PSD3 participation in the pre-analysis of potential operational impacts that will be introduced by new European regulations;
- Activation of new lists of cash access points (PAC) for the Bank of Italy;
- Renewal of outsourcing agreements with the main strategic suppliers for the cash-in-transit sector;
- Renewal of the agreement for payment of pensions with INPS.

Lastly, activities continue relating to developments in the method for monitoring suppliers of key outsourced functions (FEI), specifically operating in cash management, intended to mitigate the risks associated with logistics management of monetary instruments.

Centralised Services

The start of 2024 was still characterised by the Group database's project. In January, the second phase of the final design step for standardisation was launched, activating the production of the first four pilot Banks, followed by all of the others, including Cassa Centrale, in line with a scheduled plan.

Activity was completed with the launch of production, at the end of October, for the final group of Banks.

On 1 January 2024, the CESOP ("CENTRAL ELECTRONIC SYSTEM OF PAYMENT INFORMATION") regulation came into force, which, in the context of combating international VAT fraud, provided for new quarterly reporting obligations on transnational operations for Payment Service Providers.

The service managed the flows relating to the first report on the first quarter of 2024, as a business unit in charge of sending reporting pertaining to the Parent Company.

New regulatory provisions were also followed during the year regarding the Register of Financial Reports and Fiscal Monitoring.

In December, in the context of restructuring of the Parent Company's Anti-Money-Laundering Function, the decision was made to transfer AML activity previously managed by the Service to the Parent Company's AML Oversight Office.

General Governments treasury

The Operations Department includes treasury activities carried out for several public bodies in Italy. As at 31 December 2024, the number of bodies managed was 1,059, while 775 had an IT mandate, confirming the ongoing commitment to introduce advanced ways of delivering the service.

The service was involved, as a pilot bank, in the project led by the Bank of Italy for evolution of the Centralised Electronic Treasury - OPI TS procedure.

OPI TS is the standard governing the issue of collection and payment orders (*OPI*) issued both by State Administrations and Tax Authorities, in the context of the treasury service and cash services provided by the Bank of Italy, and by treasury banks, in the context of the centralised treasury service, also managed by the Bank of Italy. This standard establishes electronic proof entirely replacing previous digital orders and the remaining paper orders issued by these institutions. The new OPI TS standard came into effect on 2 January 2025.

E-money

The concerned activities are directed at supporting the Group's Banks and the Market Banks that subscribed to the e-money services. Oversight regards the management of products that fall within the scope of e-money, such as debit cards, prepaid cards, credit cards, ATMs, physical and virtual POSs, and all activities required for the proper functioning of the instruments and for the prevention and management of fraud.

It also manages relations with the following counterparties: Bancomat SpA for the domestic circuit, Visa and Mastercard for the respective international circuits, Nexi for issuing and acquiring activities, and Worldline for the acceptance of international cards on POSs.

The activities associated with the project to reorganise the segment for POS acquiring were particularly demanding.

At the start of the current year, the process for assessing offers received declared Worldline's offer to be best suited to the Group's needs.

The main objectives of the initiative are: improvement of the quality of service for Banks and customers, the relaunch of the offer with innovative products and services, and the increase of competitiveness on the market in question.

Over the summer, working groups were launched for development of the service and integration of new functionality into the IT system.

The installation, management and support service for new POS terminals by Worldline began in November. All Banks are online and from December activity will begin for the migration and re-contractualisation of merchants with the new provider, as per the plan.

Work continues on projects activated and partially already released in the first six months. These included the adoption and personalisation of a platform for fraud prevention in relation to payment cards.

Lastly, activities to release several functionalities on ATMs continued, in order to ensure the usability of Self Services even with international debit cards.

5.2.1.4 – Governance and support

Also in 2024, the Parent Company's governance and support functions have worked to strengthen the organisational structures and develop the activities of the Cassa Centrale Group.

The **Planning Department** manages activities aimed at an orderly business development of the Group, with a structure dedicated to coordinating the Affiliated Banks in adoption of the Parent Company's strategic guidelines, ensuring their effective implementation. The Department also handles Parent Company treasury processes, guaranteeing Affiliated Banks access to systems for regulation and management of collateral, to the interbank market and to institutional funding, and providing for the definition of guidelines regarding management of the Group securities portfolio. Finally, during the financial year, Data Governance processes were also included within the Department's remit.

In 2024, the main activities were:

- management of the process for defining the Group's 2024-2027 Strategic Plan;
- supporting activities relating to merger projects among Affiliated Banks started and/or concluded during the financial year;
- updating of the process and forecasting models supporting the Group's strategic planning process;
- placement of the first senior preferred green bond worth EUR 100 million, issued by Cassa Centrale Banca and aimed at customers of the Cooperative Banking Group;
- support in updating of the geographical rationalisation and development process of Affiliated Banks;
- evolution of tools for analytics and reporting, auditing, management and, in particular, measurement of performance of branches.

In 2024, activities continued to strengthen the **Administration and Tax Reporting Department**, in order to further strengthen the controls aimed at ensuring the correct and timely representation of the Parent Company's individual and consolidated economic and financial results, and the fulfilment of the related accounting, supervisory and tax obligations. In this sense, the Parent Company has provided important support to the Affiliated Banks in the management of accounting, tax and reporting processes, as well as in the activities to improve efficiency and correct management of the Group's income statement and balance sheet consolidation processes.

The **Information Technology & Security Department** provided continuous support to the Group in a variety of projects and activities aimed at the evolution and innovation of products and services for Affiliated Banks and customers, as well as compliance with external regulations and the expectations of the Supervisory Authority.

The action of the ICT Governance Service has moved along two main lines: regulatory and strategic. In the regulatory sphere, work continued on issuing and accompanying the adoption of the internal regulatory framework, with the aim of adapting the Group's ICT to ever growing regulatory pressure and enabling the effective management of controls and ICT risks. In this context, note the monitoring activities of the remedial plan resulting from the ECB on-site IT risk audit, in addition to the activities carried out for alignment with the Digital Operational Resilience Act. In terms of strategy, following updating of the 2024-2027 ICT Strategic Plan, drafted in line with the previous ICT Strategic Plan and, in light of the new Group Strategic Plan, implementation and monitoring of the related initiatives intended to support the digitalisation processes and the development of the information system continued, with the aim of guaranteeing high and innovative standards of service to shareholders and customers.

With the intention to gather ideas for defining and implementing strategic initiatives, strengthening synergies with international research institutes, Cassa Centrale Banca actively participates in the works coordinated by the BIAN international consortium, the AbiLab IT Architecture Monitoring Unit and CIPA (Italy's interbank agreement on automation) surveys.

In the regulatory context, the Security and Resilience Service continued the activities to issue/update and accompany the adoption of the internal regulatory framework, as well as to coordinate the initiatives to adapt to the Digital Operational Resilience Act, according to a strategic roadmap of measures defined with the involvement of the Cassa Centrale Banca and Allitude structures most impacted.

The Security & Resilience Service, in collaboration with Allitude's Cyber Security Operations Service, also prepared the 2024-27 Multi-Year Strategy Security Plan, which updated the 2023-26 Multi-Year Strategy Security Plan, taking into consideration the development of the external and internal situation of the Cassa Centrale Group, the Group's Strategic Plan, and synergy with the ICT Strategic Plan.

The Security and Resilience Service continued and launched a series of projects on governance and guidance of the security architecture and secure development of ICT solutions (known as "Security by Design"). These initiatives aim to increase the maturity of the security processes and measures and to promote the reduction of cyber risks at Group level, including through an increasingly more active involvement of the Affiliated Banks through the respective IT Security Representatives. As regards the "Security by Design" process, with the involvement of interested stakeholders, the initiatives conducted sought to move towards an integration of Security measures as early as the initial stages of the solution design process, in order to ensure intrinsic security.

In the first half of 2024, the security training and awareness plan was defined and approved for the period between April 2024 and March 2025, and so training and awareness initiatives on information security continued in relation to Group employees as well as customers. Regarding this latter area, the Group is continuing its participation in working groups organised by CERTFin and has joined the "I Navigati 2024" campaign, which has presented its new slogan "Recognise the many faces of fraud", aimed at raising customer awareness in the retail segment around impersonation. Furthermore, Cassa Centrale Banca actively takes part in CERTFin as a member of the Strategic Committee and the Governing Council, in the Digital Resilience & 3rd Parties Hub organised by Cetif (research centre of the Università Cattolica del Sacro Cuore in Milan) as a member of the Steering Committee, in the OSSIF (ABI research centre on anti-crime security), and renewed its membership with Clusit (Italian Association for IT Security) and the Computer Security Incident Response Team (CSIRT) Italia established at the ACN.

Technical projects continued in synergy with Allitude's Cyber Security Operations Service aimed at developing cyber security controls in relation to threat intelligence, incident detection and response, identity governance, incident management, anti-fraud and data classification and protection processes. In particular, the new "First Level Service for Fraud Management" was prepared and kicked off, with the intention of further improving the efficiency of fraud prevention control measures by making checks and interventions more prompt, expanding the operating hours of controls and contact with customers and relieving the member Banks of a large portion of operations.

The **Operations Department** continued to support company projects in multiple areas pertaining to the business, governance and support, risks and controls segment. Regarding the digital transformation programme, activity planned was further implemented and developed. This included support for the adoption and distribution of electronic signature tools by the banks and development of the mobile banking channel (Inbank app) dedicated to private customers, with a complete overhaul during the year. To improve the efficiency of the project demand management monitoring and harmonisation process, the relevant internal

regulations were updated, and the periodic monitoring of relevant initiatives was activated, with the relative periodic reporting to the departments and corporate bodies concerned. Adjustments to external regulations continued in order to transpose the new regulations issued from time to time.

In the context of Services Governance, in the second half of 2024 initiatives continued intended to strengthen monitoring of coordination and support for the administrative and banking back-office services of Allitude. In particular, adoption continues of processes and tools to define measurable performance objectives of the back-office services from an efficiency/efficacy perspective as well as development of the Group's products to direct the overall benefit generated towards continuous improvement. The contribution of methods and expertise for the identification and guidance of the initiatives of greatest priority for the Allitude back office services also continued, ensuring full alignment and integration with the objectives of the Group's strategic plan. In this regard, it should be noted that, during the year, numerous roundtables were initiated with the Group's Banks aimed, for example, at process optimisation, pooling the experience already acquired. A review of the back office operating model is also ongoing to allow the Group to increase the efficiency of operating processes in support of the Business, also through the sharing of specialist skills available within the Group.

Furthermore, in line with the strategic aim to establish a base for the Group in Milan, in the second half of 2024 the new offices of the Parent Company went online in the capital of Lombardy.

During the financial year, significant progress was made in the field of Cost Management and Procurement, with a particular focus on reinforcing Group synergies and optimising processes. Shared guidelines were introduced for the optimisation of procurement, making it possible to harness synergy between Group Banks and optimise overall costs incurred, consolidating the internal regulatory framework at the same time. Another important milestone was the issue, at Group level, of a unified management process via the Ivalua technological platform, aimed at more robust control of risks linked with supply contracts and greater standardisation of operations. At the same time, Group negotiations led to optimisation of spending, with a positive impact on management of financial resources. Six-monthly planning of negotiation activity was also launched, aimed at providing Banks with an ever greater services platform that is more competitive on costs, consolidating the central role of the Group in procurement dynamics. Finally, numerous initiatives were launched aimed at responsible and sustainable supply-chain management, in line with strategic objectives of sustainability.

The **General Counsel Department** guaranteed operational and administrative support for the activities of the Board of Directors and the Board Committees of the Parent Company as well as their self-assessment exercise and appointment and suitability assessment pursuant to Art. 26 of TUB of the Corporate Representatives (including the AML Officer) and the heads of the main corporate functions.

The Department supported the Affiliated Banks and the Group companies by providing advice about corporate governance aspects, including the area of related parties and conflicts of interest, in addition to the appointment of the Group's Corporate Representatives and assessment process pursuant to Art. 26 of the TUB on the existence of the requirements and criteria of their suitability. In this context, assistance was also provided to the Affiliated Banks affected by the appointment and by the suitability assessment of AML Officers.

It coordinated the audit activities, in part still ongoing, of the Group regulations on so-called "high governance", including the Standard Articles of Association of the Affiliated Banks, and on strengthening and consolidation of the procedural and IT controls for the management of operations with related parties and conflicts of interest. Regarding the standard bylaws of Affiliated Banks, it is noted that on 31 October 2024, application was submitted to the ECB for issue of the assessment provision pursuant to Article 56 of Legislative Decree No. 385 of 1 September 1993 - Consolidated Text of the Laws on Banking and Credit.

It also supported operations of the RBM (Risk-Based Model) Committee for the risk classification of Affiliated Banks.

The Legal Area managed legal topics relating to the strategic projects included in the Bank and Group Strategic Plan and supported the Bank's activities during the year and during implementation of the guidance, management and coordination objectives recognised by legislation and by the Cohesion Contract signed between the Bank and the Group's Affiliated Banks.

It oversaw topics of civil and banking law, corporate law, capital market law and insurance law across the board, also offering guidance at Group level on the aforesaid topics in relation to the Group Companies and the Affiliated Banks.

It supported the Group Companies and the Affiliated Banks in all aspects related to banking and financial contracts in relation to the products offered to customers.

It ensured controls at Group level on complaint management, extra-judicial proceedings and disputes pending.

In 2024, the **ESG and Institutional Relations Department**, carried out the following activities, also with the contribution and collaboration of the Parent Company Departments and the Group's Affiliated Banks and Companies:

- providing support for the activities of the Risks and Sustainability Committee for issues within its remit through adequate information;
- collaboration with the relevant Departments for definition, implementation and monitoring of planning in relation to the Sustainability Plan;
- three-monthly coordination and monitoring of planning in the sphere of Sustainability, supporting the Board of Directors, Risk and Sustainability Committee and ESG Steering Committee;
- updating of the Sustainability Plan, which from 2024 includes the Climate-Related and Environmental Risks Plan in response to the ECB "European Supervisory Expectations on climate-related and environmental risks"¹⁰;
- following the main dossiers on the revision of banking, financial and insurance legislation and regulations, also in coordination with the credit and cooperation trade associations, to represent the unique characteristics and needs of the cooperative banking system;
- studying and assessing the impacts of sustainability/ESG regulations including through constant and proactive dialogue with the relevant supervisory and control bodies;
- enhancing in external communication the Group's sustainability journey, while highlighting the distinctive features;
- acknowledging the Group as an entity with distinctive characteristics within the banking world, enhancing the objectives of sustainable development and the principles and values of the Mutual Credit Cooperation;
- further increasing, according to a constant and gradual approach, the Group's visibility to the outside world also through social networks, coordinating the activity to enhance the various initiatives activated by the Group and the communication of the Affiliated Banks on these channels. In particular, the Parent Company continued to see a constant increase in visibility on its LinkedIn profile, with a number of followers exceeding 42 thousand;
- continuing the collaboration with Euricse, a research institute specialised in cooperation and social enterprise issues. In particular, the survey on the Affiliated Banks was re-proposed, essential for circulating good practice on environmental and social issues.

5.2.2 ICT and back office services

Within the ICT Department at Allitude the process to consolidate the operational integration and organisational transformation activities continued. In terms of projects, initiatives were carried out in 2024 on the basis of the requirements formulated by the competent structures of Cassa Centrale Banca. These requirements were formalised in the document of the 2024 ICT Operational Plan and approved by the competent decision-making bodies.

At the same time as the in-house development of new content in relation to the Group's information system, several innovative market solutions were selected and purchased to meet some of the new specialist needs that have emerged, for example in relation to Customer Relationship Management (CRM).

¹⁰ The Group Sustainability Plan is integrated into the Group Strategic Plan.

The projects included in the 2024 ICT Operational Plan are consistent with the development lines envisioned in the Cassa Centrale Group's strategy and can be summarised in the following areas:

- **omnichannel:** evolution of digital services for end customers, with particular reference to mobile and Internet-banking channels, and with completion of the redevelopment of the Inbank app and its release for customers in June 2024; continuation of processes for modernisation of platforms for bank users, with creation of the new technological infrastructure and architecture for the modernised portal and trial release of the initial modules; digitalisation of onboarding processes for prospective customers; continuation of activity for the definition of a Group Design System; launch of integration processes for the new CRM motor with the various different digital channels;
- **banking information system:** standardisation of information system processes and configurations (register, transparency); evolution of the various application modules on the basis of Business priorities (dematerialisation of sales processes to make in- and out-of-branch offers more efficient) and the need for regulatory compliance in the areas of finance, credit, anti-money laundering and payment systems; development and release of the Group's new electronic credit line procedure (PEF) and corresponding product range; in the context of the Core Banking Modernisation programme, the release of the first "modernised" package was completed at all banks, which, in addition to Safes, includes transversal components to support management of relations (Contracts, Conditions, KYC Questionnaire, Graphometric Signature and Customer Offer); other projects envisaged in the plan are also under way, involving the Product Catalogue, the Italian Central Credit Register Messaging Function, Owned Derivatives, the Database of Financial Products, Asset Management and Advanced Financial Consulting;
- **data management and analytics:** consolidation of the Data Platform based on the Data Hub layer for the provision of Group data; expansion of business-intelligence capability with self-service functionality used by the various offices for independent consultation of databases; continuous enrichment and extension of the business glossary to include numerous information sources in the context of evolution of the data-governance framework; upgrading the data quality dashboard with the implementation of a new set of business controls and implementation of a data-observability dashboard for technical controls; expansion and optimisation of a commercial datamart dedicated to customer insight, enabling the creation of Business-Intelligence dashboards distributed amongst User Banks and also used as the system for the CRM tool database; continuous enrichment and expansion of the database contained in the Group Data Hub repository;
- **synthesis systems:** guidance on adjustments to the rating calculation engine and the EWI/EWS (early warning indicator/early warning system) to the Group's new credit regulations; continuation of projects to integrate third-party synthesis applications (AML T&M, ERMAS, Regtech, Rating, IFRS 9, ICT and Reputation Risk, Corporate Control Functions (CCFs), etc.); evolution of reporting from a Basel IV prudential perspective, with launch of initial implementation activity;
- **technology/infrastructure:** completed the consolidation of the data centres to increase efficiency and lower risk; completed the technology refresh of computational hardware components that provide the SIB2000 service; introduction of the technology hosting service for user Banks; completion and introduction in the service catalogue of the first version of the management service for job roles of the user banks and launch of planning to define the second phase of the management service for management of roles that will complete management in this area; with the provision of hardware; completion of the design phase for the introduction of another management service for distributed computing, such as management of the user Bank's local network and launch of the first pilot Banks; start of the cloud journey with final definition of the Guidelines and architectural framework to adopt the public cloud;
- **governance and processes:** following the ECB on-site ICT risk audit, which involved the Cassa Centrale Group in 2022, the initiatives to strengthen the ICT management processes continued in line with the remedial plan defined in July 2023 and intended to meet the expectations of the Supervisory Authority and completed in December 2024.

In 2024, the Allitude Services Department continued its development programme aimed at strengthening the Group outsourcer role, in particular by increasing the volumes managed and developing additional new end-to-end administrative and banking back-office services, in line with the needs of the Cassa Centrale Group. In line with the discussions held with Group Banks and relevant structures of the Parent Company, intended to analyse the operational and organisational models for managing back offices, the Group-level efficiency strategy was consolidated, expanding the Allitude service catalogue and planning a gradual centralisation process aimed at Allitude and/or other suppliers.

In relation to the expansion of the offer of services, various initiatives were launched, some still in the design stage and others already released in 2024:

Design

- Inheritance Back Office: legal and tax consulting;
- Credit Back Office: management of subrogation of loans due and payable, research for the magistracy, management of repossessions and mortgage back office;
- Administrative Management of Personnel Back Office: monthly technical closure of time sheets and management of SAP records.

Releases

- Tax Back Office: management of VAT obligations;
- Succession Back Office: declaration of existence, asset management and disposition;
- Collections, Payments and e-Money Back Office: ATM cash management, management of ATM deposited cheques;
- Credit Back Office: CESOP reporting;
- Leasing Contract Back Office: IFRS 16;
- Mandatory Accounting Books Back Office;
- Past Contracts Uploading Back Office;
- Vendor Management Back Office;
- Finance Back Office: transfer of securities by inheritance;
- Collections, Payments and e-Money Back Office: POS terminal migration.

Currently, the programme to increase productivity and operational efficiency in delivering back-office services continues with the introduction of new technology tools (process automation and artificial intelligence) and organisational levers. The programme, created in close collaboration with the Services Department and the ICT Department of Allitude, provided for various initiatives across all areas of the Services Department (Collections, Payments and e-Money, Administrative Management of Personnel, Accounting and Tax, Finance, Supervisory Reports, Credit), and provides for the achievement of target benefits in terms of increased performance as soon as all solutions are fully operational. In line with the results achieved, analyses are under way to assess the application of the technological instruments, including application to new services, in order to launch them from a digital native perspective.

Furthermore, the tactical tool (the so-called “Operations Tracker”) for monitoring the operational performance of the back office processes of the Allitude Services Department is constantly updated, with the aim of introducing continuous improvement logics for the efficiency and quality of services through the analysis of collected data (economic, volume and productivity data).

5.2.3 - Consumer credit services

Prestipay S.p.A., a company of the Gruppo Cassa Centrale specialised in consumer credit, closed 2024 with an increase in volumes and expansion of its range of products and services, further consolidating the growth of the company and strengthening its commitment alongside banking partners.

Using specialist know-how, prompt risk oversight and a complete range of products and services, Prestipay now represents the reference point for the production of credit products aimed at the household customers of the Group’s Banks, distributed through the widespread network of branches across Italy and through the online direct channel.

As at 31 December 2024, the Company posted an increase in net profit, reaching EUR 6.7 million, highlighting a significant improvement in all indicators and further consolidating the financial and equity situation. Volumes stood at around EUR 326 million, with a 5.2% increase on the same period in the previous year and consistent growth in the number of transactions managed.

With regard to distribution channels, there was a gradual consolidation of loan applications via the direct online channel and a positive trend in volumes issued across all channels.

The Company also continued with digitalisation of its processes. In the context of customer contractual documentation, the use of the certified digital signature service reached overall penetration of 95% of total contracts, allowing for a significant reduction in paper consumption and related CO₂ equivalent emissions of 2,100 kg.

In relation to the trend on the national consumer credit market, the growth recorded by Prestipay at the end of 2024 was in line overall with that of the main operators of reference. Granting of the various forms of credit to families of Assofin (the Italian association of the main banking and financial operators in consumer credit) associates showed growth in line with that of the Company. This performance was supported by a moderate recovery in purchasing power, a progressive reduction of interest rates by the European Central Bank and an entirely positive situation in the labour market.

The growth outlook for the reference continues to be impacted by macroeconomic uncertainty. Offer policies remain focused on credit quality, with a moderate increase in risk indicators expected. Furthermore, entry into force of the new consumer-credit directive will require operators in the sector to meet stricter rules on assessment of consumer creditworthiness and comply with more robust disclosure obligations.

In relation to the main internal activities completed in 2024, the Company remains strongly committed to carrying out all development projects in order to ensure products and services capable of competing on a constantly evolving market.

Of particular significance is the finalisation of the complex insourcing project of the pension-backed-loan product with launch, in line with the time frames laid out by the roll-out plan, of gradual distribution of the product to all Group Banks. The new loan type, conveyed to customers through the "Prestipay Five" brand in continuity with the Company's product range, will guarantee Cassa Centrale Group direct control over this important market segment.

With regard to the development of new products and services, the Company continues to consolidate its diversification strategy with new projects, aimed at offering innovative lending solutions targeted to the requirements of Group customers and supporting the activity of the Partner Banks.

Key initiatives of the Company include finalisation of the first sale of non-performing loans to a leading specialised party. This operation, part of a strategy to optimise the Company's credit portfolio, enabled further optimisation of company resources, improving the operational efficiency of unpaid-loan management to the benefit of core business required to support growth.

Lastly, the process of strengthening the internal organisational structure of the Company continued with the hiring of specialised resources to support the development of important project activities intended to expand the range of new products and services and strengthen the commercial structure supporting the Partner Banks.

5.2.4 - Leasing services

The offer of leasing services makes it possible for the Cassa Centrale Banca Group to strengthen the range of services offered in the territories, through specific agreements entered into with the Banks of the Cassa Centrale Group for the distribution of the product.

Claris Leasing S.p.A., through its financial leasing services, strives to guide the investments of small and medium-sized enterprises, customers of the Affiliated Banks of the Group, with a growing effort to respond to the new challenges on the market.

The domestic economic context showed slight growth in the level of economic activity despite the uncertainty around developments in geopolitical tensions, and inflation appeared to slow, partly due to the decrease in prices of energy raw materials and the efficacy of the restrictive monetary policies.

In this scenario, 2024 saw the Italian leasing sector record a slight decrease YoY, influenced by the contraction of the capital goods segment, also affected by the expectation for the implementing decree of the Industry 5.0 Plan, only partially offset by the positive contribution of transactions in the motor vehicle and real-estate segments.

The performance of the market is also reflected in the final figures recorded by the Company, with particular reference to the decrease shown by the capital goods segment, which, in this case, was still more than offset by the growth recorded in the real estate and motor vehicle segments, thus showing a significantly better evolution compared to the Italian market.

Through placements made by the distribution network of the Affiliated Banks of the Cooperative Banking Group, Claris Leasing concluded 1,580 new finance lease contracts for a total of EUR 313.1 million in new investments in the financial year. Compared to figures for the previous year, there was nearly a 3.1% increase in the number of contracts signed, with sector dynamics consistent with those of the Italian leasing industry. In 2024, over EUR 121 million was allocated to the manufacturing industry, EUR 78 million to trade and transport and almost EUR 72 million to the real-estate and construction sector, funding small and medium local companies supporting the social fabric of the different areas. From a commercial perspective, the Company focuses on the most environmentally friendly projects, in accordance with EU and national policies aimed at promoting investment in the green economy and in line with the Group's ESG policies. With regard to asset quality, in line with the Cassa Centrale Group's objective, the gradual reduction of non-performing exposures continued through a strategy of disposals managed directly by the Company. The gross NPL ratio stood at 2.8% in December 2024, an improvement from the 3.2% of December 2023. Supported by a prudent provisioning policy, the ratio of net impaired exposures to total leasing receivables is currently around 1.1%, substantially in line with the figure at December 2023, while impaired position coverage is 60.4%, down from 66.8% at the end of 2023, partly due to the dynamics of incomings and outgoings during the year.

During the year, Claris Leasing S.p.A. posted a positive result of EUR 5.0 million.

The commercial offer of the Cassa Centrale Group was enriched by the contribution from Claris Rent SpA, which, through the significant distribution channels of the Affiliated Banks, offers the territories lease services on capital goods and long-term rental of motor vehicles in partnership with leading sector operators. In particular, in 2024, the Company signed a new commercial agreement aimed at growth of long-term rental services for the Group, which enabled allocation of around 200 cars.

The offer of services in the leasing sector is supplemented by the collaboration agreement between the Parent Company and Fraer Leasing S.p.A. belonging to the French Group Société Générale. During 2024, this agreement allowed the distribution network of the Cooperative Banking Group to sign 142 contracts for a total amount of approximately EUR 18.7 million.

5.2.5 - Insurance services

Financial year 2024 was characterised by development of participant banks' insurance products in collaboration with Assicura Agenzia S.r.l. and further consolidated with subsidiary Assicura Broker S.r.l. This led to improved performance compared to those seen in the domestic insurance market and those of the specific bancassurance segment, in a situation marked by growing geopolitical, environmental, social and technological challenges.

In particular, the more widespread perception of exposure to constantly changing risks (e.g. due to greater frequency and seriousness of natural disasters or due to an ageing population and in adequate health services) reinforced a proactive approach in the protection segment with 120,214 new contracts for a total of EUR 83.4 million (+27% compared to the same period in the previous year) driven by growth of +18% in premiums relating to policies in the primary lines of business for asset and individual protection and motor TPL (+53%), but also development in the placement of Temporary Life Insurance policies (+26%) and CPI policies (+25%, greater than the increase in loans issued).

The Life Insurance segment, heavily affected by monetary policy implemented by the ECB between the end of 2023 and the first quarter of 2024, increasing interest rates, led to a significant rise in redemptions and slowing in the rate of new policies signed. Overall, there was net funding of EUR 92 million (against investment of over EUR 942 million, with over 2/3 of this in separate holdings, decreased by liquidation and maturities for EUR 147 million and redemptions for over EUR 703 million).

Overall, new business recorded 231,608 new contracts (+13%), against more than EUR 1.18 billion of premiums (+46%), which fall to EUR 302 million net of redemptions.

To support the banks in development of their ability to identify and meet customer requirements, in addition to continuing targeted training courses to further professional skills and expertise across the network, in the third quarter an innovative insurance check-up tool was launched. This tool utilises original and distinctive methods, which differ from those of competitors, to raise customer awareness of risk exposure, working against ignorance, promoting insurance priorities considering any existing cover, quantifying possible negative consequences of failure to take out sufficient protection and, finally, enabling the preparation in coming months of appropriate customised cover proposals.

Alongside this, updating of the product catalogue continued, on the one hand ensuring continuity of coverage on residential property without introducing the limitations imposed by many companies to recover negative technical trends due to frequent bad weather and natural disasters, offered by the Assihome policy, and providing more favourable conditions for investors in financial policies, on the other, completing the range of insurance and pension solutions available to businesses with corporate welfare products. The range of services and cover for SMEs will see further development with the coming mandatory requirement for natural-disaster policies.

With a view, on the one hand, to strengthening customer loyalty through efficient and innovative services and, on the other, to simplifying operations for distributors, a particularly valuable innovation introduced to the management of claims involved implementation of quicker and more efficient procedures for gathering claims and related documentation. There has also been an increase in the use of advanced electronic signatures with OTP for the signing of contracts and a range of functionality has been made available in the reserved area MyAssicura and Inbank. There are great expectations for improvement of company processes supporting a new assistance model capable of reducing time frames and personalising the service provided, based on the use of generative artificial intelligence. To explore its potential, a working group has been tasked with identification of possible areas of application.

Activity, both in terms of new business and maintaining the existing portfolio, led to a figure exceeding EUR 8.2 billion premiums under management as at 31 December 2024, of which more than EUR 6.7 billion for investment instruments, more than EUR 1 billion for supplementary pension and more than EUR 400 million for insurance cover in the protection area, for growth over the last five years of +118% in the volume of premiums for the protection segment and +84% in assets managed in relation to life-insurance products of financial units and supplementary pension plans.

The total of commissions earned generated total retrocessions of more than EUR 98.7 million, up +10.7% compared to the previous year, with nearly all banks recording an increase and, above all, with a prevalence of remuneration originating from the placement and management of protection products that accounted for 54% of the total, bestowing greater stability upon the profitability offered by the insurance sector.

Net fees and commissions income for Assicura Agenzia S.r.l surpassed EUR 14.4 million, an increase of +14.7%, contributing to a net profit of EUR 7.9 million, an increase of +21% compared to the previous year and slightly above the budgeted figure.

Assicura Broker S.r.l continued with insurance assessment activity for institutional cover. This activity enabled constant improvement at the insurance level of the Affiliated Banks' policies and greater alignment of coverage levels within the Cassa Centrale Group.

There was a particular focus on the definition of upper limits for fidelity insurance and upper limits for D&O policies, proposing values proportional to the size of the insured companies. With regard to the transfer of risk for damage to assets, an awareness-raising campaign was run on the opportunity to establish an estimate of insured assets with the support of specialised and accredited companies, in order to reduce the risk of underinsurance.

Alongside this, the GBC Group Cyber policy project continued, renewing the Group's cyber-insurance plan and establishing cyber-risk cover extending beyond the Parent Company, Allitude and the Affiliated Banks already insured, to include instrumental group companies.

With regards to the business component, a slight increase was recorded, also in terms of size, in the number of business customers. This growth is due to activity for the acquisition of new customers conducted both directly and through development of activity with customers of the Group's Banks.

Overall, there was an increase in brokered premiums and commissions collected during 2024. The latter amounted to EUR 4.98 million, equal to a +17.8% increase compared to the previous year, bringing the net profit to EUR 1.56 million (+45.6%).

5.2.6 - Collective asset management services

NEAM is the Luxembourg-based asset management company wholly owned by Cassa Centrale Banca which manages the NEF Mutual Investment Fund composed of 18 different sub-funds, the last launched at the end of the year being the NEF Ethical Target 2029.

The NEF Fund is placed by all Affiliated Banks and by numerous customer Banks that mainly use Cassa Centrale Banca as the entity appointed to perform payments, i.e. as intermediary called upon to carry out activities to support customers in the administrative, accounting settlement and tax phases.

Thanks to the good results of the BCC-CR-RAIKA commercial network and despite investors preferring investments in BTP rather than assets under management products as a result of the current rates on the market, volumes reached EUR 8.2 billion with a 18.10% increase since the start of 2024 (EUR +1.259 billion).

Increased assets under management were the result of positive net funding of EUR 746 million and a positive market contribution of over EUR 513 million. During the period, capital accumulation plans (CAPs) made a positive contribution of around 810 million to funding. The growth would have been higher had we not experienced significant divestments at the same time, primarily in the equity segments. With regard to the CAPs, there was net growth of 33,125 new openings during the year, for a total of 560,734 units, which are equal to monthly deposits of over EUR 67 million.

Specifically, the data shows significant amounts since the start of the year in a number of sub-funds: NEF Ethical Balanced Conservative EUR 34 million, NEF Ethical Balanced Dynamic EUR 49 million, NEF Ethical Bond Euro EUR 130 million (net of the merger with the NEF Ethical Total Return Bond sub-fund), NEF Ethical Short Term Euro EUR 105 million, and NEF Target 2028 with EUR 324 million. Other significant transfers occurred on the institutional classes, which offset profit-taking primarily in the equity segments. The NEF Conservative I, reserved to institutional investors, alone provided a contribution of EUR 400 million.

In the NEF range, certain sub-funds exceed EUR 500 million (Ethical Balanced Dynamic EUR 920 million, Ethical Global Trends EUR 821 million, NEF Ethical Bond Euro EUR 616 million, NEF Global Equity EUR 593 million and Euro Equity EUR 664 million), while many others now exceed the threshold of EUR 300 million.

In confirmation of the high quality of its operations, in 2024 NEAM once again received very important awards: At the Refinitiv Lipper Fund Awards, Lipper awarded NEF Risparmio Italia R, a balanced fund focused on Italian enterprises, with the title of Best Fund Mixed Asset EUR Cons - EuroZone over 5 Years. Two NEF sub-funds were also included in the 300 Best Funds 2024 by CFS Rating: NEF Global Equity and NEF Risparmio Italia.

5.2.7 Other services

Originally established to provide support and assistance to banks that use the online trading services offered by Directa SIM, over the years Centrale Trading S.r.l. (hereinafter also "Centrale Trading" or "CT") has entered into agreements with several companies: Six Financial Information, infoprovider for finance offices; WebSim for financial reporting; MasterChart, with which, in addition to traditional financial reporting solutions, customer appointment management, counter queue management, banking transparency management and digital signage services were added.

There were 140 affiliated institutions at 31 December 2024.

6. Risk management and internal control system

The risk governance model, i.e. the set of corporate governance mechanisms and management and control mechanisms aimed at facing the risks to which the Group is exposed, is part of the broader framework of the internal control system (so-called ICS), defined in accordance with the regulatory provisions of Circular no. 285/2013 of the Bank of Italy.

The Group attaches great importance to the management and control of risks, in order to ensure prudent and stable management of banking activities, in compliance with its mission. In particular, the Parent Company, in the exercise of management and coordination of the individual Group Companies, establishes and defines the duties and responsibilities of the control bodies and functions within the Group, the coordination procedures, the reports, information flows and related connections, in compliance with the provisions of current legislation, the Cohesion Contract and the Articles of Association of Cassa Centrale Banca. In addition, it issues provisions for the execution of the instructions provided by the Supervisory Authority in the interest and for the stability of the Group.

In this context, the Group attributes strategic importance to integrated risk and control management, as this constitutes:

- an element to ensure that all activities are carried out in accordance with the principles of sound and prudent management and defined strategic guidelines;
- a clear and complete representation for the Corporate bodies of the internal control system to monitor risks, the critical elements to which the Group is exposed and the interventions in progress;
- an important element for monitoring compliance with the relevant provisions by the competent authorities, as well as spreading the use of integration parameters.

The proper functioning of the Internal Control System is based on a successful interaction of the direction, implementation, verification and assessment tasks between the Corporate Bodies and the Corporate Control Functions. This interaction involves the sharing of the underlying operational and methodological aspects and the corrective actions to be taken in case of critical findings in order to prevent inefficiencies.

In particular, the Parent Company exercises strategic control over the evolution of the various areas of activity in which the Group operates and the risks incumbent upon the activities exercised, controlling both the performance of the activities carried out by the individual Group Companies, and their disposal and acquisition policies.

Furthermore, the Parent Company exercises direct management control to ensure the balanced maintenance of economic, financial and equity conditions of the individual Group Companies as well as the Group as a whole, through the preparation of plans, programmes and budgets (individual and Group) and through the analysis of periodic situations, interim accounts, annual financial statements of the individual Group Companies and consolidated financial statements, both in reference to homogeneous business sectors and in reference to the entire Group.

Lastly, it exercises technical/operational control to assess the various risk profiles contributed by the individual Group Companies to the Group and the overall risks of the Group.

In light of the above, the Corporate Control Functions (CCFs), in their role as Parent Company Functions, exercise control over the risks arising from the activities carried out by all the Group Companies in order to assess the various risk profiles contributed by these Companies and the overall risks of the Group. These elements translate into the performance of specific monitoring and verification activities concerning the Group as a whole and/or individual Group Companies, which guarantee adequate information flows, timely responses to specific requests and collaboration in the event of remote or on-site verification.

The risk-taking strategies are summarised in the Risk Appetite Framework (known as RAF), which represents the reference framework that defines – in line with the maximum risk that can be assumed, the business model and the strategic plan – the risk appetite, the tolerance thresholds, the risk limits, the risk management policies, and the reference processes necessary to define and implement them.

The Group's RAF represents the framework within which company risk management is developed, with the definition of general principles of risk appetite and resulting structure of the monitoring of:

- the Group's overall risk profile;
- the main risks specific to the Group.

In other words, the RAF provides the framework for determining the Group's risk appetite that:

- acts as a tool for strategic control, relating risks to the business strategy and translating the mission and strategic plan into qualitative and quantitative variables;
- operates as a tool for risk management and control, linking risk objectives to business operations and translating them into constraints and incentives for the structure.

As a fundamental tool to ensure that the Group's strategy is in line with the Risk Profile, the RAF is not only addressed by top-down leadership of the Bodies and Management of the Parent Company, but is also implemented with the active bottom-up involvement of the individual Banking Group Companies. The RAF is therefore founded on a management model that is consistent with the operational functionality and complexity of the Group itself, and has been developed considering the materiality of the risks to which the Group is exposed. It establishes ex ante the risk/return objectives that the Group intends to achieve and the resulting operating limits. Conceptually, the RAF could be defined as the variability of the risk-adjusted results that the Group is willing to accept for a given operating strategy.

Therefore, the RAF represents the overall approach, including an integrated set of governance policies, processes, flows, controls and systems through which the risk appetite of the Group and each Group Company is established, communicated and monitored. It is an integral part of the decision-making processes for developing and implementing the strategy and approach to risk management and enables the determination of a risk management policy based on the principles of sound and prudent business management. It is distributed and promoted at all levels of the organisation, facilitating the integration, understanding and adoption of the concept of risk appetite within the corporate culture. It includes the Risk Appetite Statement (RAS), the Risk Limits, and an overview of the roles and responsibilities of those who oversee the implementation and monitoring of the RAF. It must be able to ensure consistency between business models and strategic guidelines, capital planning and the employee remuneration plan.

The development of the RAF involves the implementation of an integrated set of corporate regulations, operational processes, information flows, and controls through which risk appetite is established, communicated, and monitored. To ensure the timely identification, measurement and assessment of risk, the RAF is supported by the company's information and management reporting systems. The RAF takes into account the specific operations and related risk profiles of each of the entities belonging to the Group to ensure their integration and provide consistency in terms of the Group's operations, complexity and size.

As such, the definition and implementation of the RAF cannot be separated from the company's strategic decisions and the related budgets/implementation plans, the specific business model used, and the overall level of risk involved in terms of exposure. The definition of the risk appetite also represents a management tool that, in addition to enabling a concrete application of the prudential measures, makes it possible to:

- strengthen the capacity to govern and manage corporate risks;
- support the strategic process;
- facilitate the development and promotion of an integrated risk culture;
- develop a fast and effective system for monitoring and communicating the risk profile.

In order to represent the relevant risks of the Group's business model, the Group's RAF is based on a structured and detailed risk identification process, which, in turn, constitutes the basis for the current and prospective ICAAP ("Internal Capital Adequacy Assessment Process"). To this end, individual Group companies may be involved in the definition of the RAF and contribute relevant information on their operational and market environment and their corporate risk profile.

The Risk Management Department is responsible for preparing and managing the Group's RAF and has the task of proposing the qualitative and quantitative parameters necessary for its definition, as well as drafting the Group's Risk Appetite Framework Regulation, which defines the management process and illustrates the underlying principles of the RAF.

In order to achieve an integrated and coherent risk governance policy, strategic decisions at Group level (in the context of which those relating to the RAF play a major role) are made by the Parent Company's corporate bodies, assessing the overall operations and risks of the entire Group and also paying the utmost attention to the characteristics of the different businesses and local contexts. In this regard, the corporate bodies perform their duties considering not only to the business reality of the Parent Company, but also by assessing the overall operations of the Group and the risks to which it is exposed.

The Parent Company has therefore adopted a unitary and integrated system of internal controls that allows effective control over both the strategic choices of the Group as a whole and the managerial balance of the individual Group Companies and, in particular, their organisation, technical situation and financial position.

So that the Corporate Bodies of the Group Companies are aware of the RAF process management policies defined by the Corporate Bodies of the Parent Company, individual RASs are defined. The Corporate Bodies of the Group Companies are responsible for the implementation of individual RASs, in line with individual company characteristics, strategies and risk management policies defined by the Parent Company's Corporate Bodies.

The RAS defines the following thresholds:

- Risk Appetite, i.e. the level of risk that the Group intends to assume in order to pursue its strategic objectives;
- Alert, i.e. the threshold at which the Risk Tolerance will be approached or exceeded and the activation of any corrective actions in order to avoid the Risk Tolerance being reached or exceeded;
- Risk Tolerance, i.e. the maximum deviation from the Risk Appetite allowed, is set in such a way as to ensure sufficient margins to operate, even under stress conditions, within the maximum assumable risk;
- Risk Capacity, indicating the maximum risk that the Group is technically able to assume without violating regulatory requirements or other restrictions imposed by shareholders or by the Supervisory Authority.

The indicators included in the RAS are monitored at a consolidated level by the Risk Management Department, and at an individual level through the Internal Representative, and the Head of the Risk Management Function for the other Group Companies with an independent risk management function. The process is formalised in an adequate quarterly risk report that provides an overall and integrated view of the other risk processes (such as ICAAP, ILAAP, Individual Risk Focus and MSTs) with a view to guaranteeing effective reporting to the Corporate Bodies of the Group and of the individual Group Companies.

In conclusion, the definition of the RAF and the resulting operational limits on the main specific risks mentioned above, the use of risk assessment tools within the credit management processes and the reference control and monitoring of operational and compliance risks, capital and liquidity adequacy assessment measures and risk capital measures for the assessment of company performance, are the cornerstones of the operational declination of the risk strategy defined by the Board of Directors.

6.1 - Risk map

As part of the process of identifying relevant risks, the Group has defined the relevant risk map, which constitutes the framework within which all risk measurement/assessment, monitoring and mitigation activities are carried out. This process is carried out taking into account the Group's unique characteristics, its current and future operations, its operating context and the provisions laid down by the Regulators and market best practices.

To this end, the Group identifies all of the risks to which it is or could be exposed, i.e. risks that could affect its operations, the pursuit of strategies and the achievement of corporate objectives.

The process of identification of the Group's significant risks is a fundamental recognition process for the whole system of risk management as it constitutes an ideal "link" between different processes, representing the starting point to address:

- as part of the RAF, the identification of the most significant types of risk on which to define appropriate "risk appetite" values, tolerance thresholds and risk limits;
- as part of ICAAP/ILAAP, the delimitation of the risks with the greatest impact on the adequacy of the Group's capital and liquidity situation, in terms of current and/or potential risks and under stress conditions;
- as part of the MRB area, the identification of the main areas of vulnerability of Affiliated Banks and the possible activation of strengthening mechanisms;
- as part of the Recovery Plan, the definition of possible areas of intervention aimed at recovering from near default situations and the consequent calibration of appropriate recovery actions; the reporting system, defined in line with all the main processes outlined above, to guarantee its accuracy, exhaustiveness, clarity and usefulness, thus ensuring that the control of significant risks is sufficiently regular with respect to the phenomena in question.

The process of identifying significant risks is the basis for all the Group's strategic processes and is carried out through a structured and dynamic process:

- at centralised level, the Risk Management Department;
- with the involvement of the Corporate Bodies, the Corporate Control Functions and the other Parent Company Structures, to the extent of their spheres of competence, in order to ensure alignment with the evolution and/or changes in the business model;
- with the involvement of the main Group Companies that have outsourced corporate control functions, where deemed necessary, to enhance their role in relation to individual operational specificities.

In accordance with the requirements of the "ECB Guide to the Internal Capital Adequacy Assessment Process (ICAAP)" and the "ECB Guide to the Internal Liquidity Adequacy Assessment Process (ILAAP)", the risk identification process is carried out following a "gross approach", i.e. without considering the specific techniques aimed at mitigating the underlying risks. The analysis was therefore carried out by evaluating the Group's current operating conditions to identify any risk profiles already present in the current context but not adequately captured by the pre-existing mapped categories, by attempting to anticipate the types of risks historically not relevant for the Group but likely to become so in a prospective scenario, as they are connected to foreseeable changes in the economic, financial and regulatory environment. For this reason, the Risk Management Department verifies, on an ongoing basis, the presence of adequate risk management processes and, following pre-established steps, updates the Risk Map whenever events/operations that could expose the Group to new types of risk occur.

The process of identifying the Group's significant risks consists of four main steps:

- verification of the significant of corporate risks already subject to evaluation and analysis and research and identification of new potentially relevant risks not yet considered by the Group (so-called Long List of Risks);
- definition of the criteria and set of evaluation elements according to which the risks identified in the previous step can be included in the Short List of Risks given the Group's operational characteristics;
- finalisation of the Short List of Risks by defining their hierarchy and taxonomy;
- verification of the degree of current and future materiality of the measurable Level-1 risks on the Short List through specific quantitative analyses without distinguishing between risks that generate capital absorption and risks that do not;
- formalisation of the Group Risk Map on the basis of the previous steps;
- definition of the organisational structure, identification of the organisational dimensions considered relevant to risk management and monitoring and the consequent mapping of relevant risks on these axes of analysis.

The Group's "Risk Map" valid for 2024 is shown below, with reference to the first level of risk identified¹¹, which is adopted by all Group Companies.

Credit and counterparty risk

Risk of reduction in the value of an exposure in correspondence with a deterioration in the creditworthiness of the user, including the inability to meet all or part of its contractual obligations.

Credit concentration risk

Risk arising from exposures to counterparties, including central counterparties, groups of related counterparties operating in the same economic sector, in the same geographical region or carrying out the same activity or trading the same commodity, as well as from the application of credit risk mitigation techniques, including in particular risks deriving from indirect exposures, such as, for example, towards individual guarantee providers.

Market risk

Risk of an unfavourable change in the value of an exposure to financial instruments, included in the trading book, due to adverse trends in interest rates, exchange rates, inflation rates, volatility, share prices, credit spreads, commodity prices (generic risk) and/or the situation of the issuer (specific risk).

Credit valuation adjustment (CVA) risk

Risk of adjustment of the interim market valuation of the portfolio of transactions with a counterparty. This adjustment reflects the current market value of the Counterparty Risk vis-à-vis the institution, but does not reflect the current market value of the credit risk of the institution vis-à-vis the counterparty.

Operational risk

Risk of incurring losses arising from inadequate or failed internal procedures, human resources and systems, or from exogenous events. This includes losses resulting from fraud, human error, business disruption, system unavailability, breach of contract, or natural catastrophes, among other things.

Reputational risk

Current or prospective risk of a decline in profits or capital resulting from a negative perception of the Group's image by customers, counterparties, Group shareholders, investors or Supervisory authorities.

Risk of non-compliance with rules

Risk of incurring judicial or administrative penalties, significant financial losses or damage to reputation as a result of violations of mandatory rules (laws or regulations) or self-regulation (e.g. Articles of Association, Cohesion Contract, Code of Ethics) with regard to all company activity.

Risk of money laundering and terrorist financing

Risk arising from the violation of legal, regulatory and self-regulatory provisions functional to the prevention of the use of the financial system for the purposes of money laundering, terrorist financing or the financing of weapons of mass destruction development programmes as well as the risk of involvement in money laundering and terrorist financing or the financing of weapons of mass destruction development programmes.

Interest rate risk of the banking book

Current and future risk of changes in the Group's banking book following adverse changes in interest rates, which affect both the economic value and the net interest income.

¹¹ The risk hierarchy is structured across four levels.

Sovereign risk

Risk that a deterioration in the creditworthiness of government securities could have on overall profitability.

Strategic and business risk

Current or prospective risk of a decline in profits or capital resulting from changes in the operating environment or erroneous business decisions, inadequate implementation of decisions, poor responsiveness to changes in the competitive environment.

Real estate portfolio risk

Current or prospective risk deriving from changes in the value of owned properties due to changes in prices in the Italian real estate market.

Risk associated with the acquisition of equity investments

Risk of inadequate management of equity investments leading, for example, to excessive fixed assets deriving from equity investments in financial and non-financial companies, also considering real-estate investments.

Excessive leverage risk

Risk that a particularly high level of indebtedness in relation to capital endowment will make the bank vulnerable, making it necessary to take corrective measures to its business plan, including the sale of assets with losses that could also lead to value adjustments on the remaining assets.

Liquidity and funding risk

The risk of not being able to cope efficiently and without jeopardising normal operations and financial equilibrium, not being able to meet its payment obligations or disburse funds due to the inability to find sources of funding or to find them at above-market costs (funding liquidity risk) or due to the presence of limits on the disposal of assets (market liquidity risk) and incurring capital losses.

Risk of conflicts of interest with respect to associated parties

Risk that the proximity of certain persons to the decision-making centres of a bank may compromise the impartiality and objectivity of decisions regarding the granting of loans and other transactions to them, with possible distortions in the process of resource allocation, exposing the bank to risks that are not adequately measured or monitored, and potential harm to depositors and shareholders.

Geopolitical risk

Risk deriving from geopolitical uncertainty.

Governance risk

Risk that the entity's corporate structure is not adequate and transparent, and therefore not fit for purpose, and that the governance mechanisms put in place are not adequate. In particular, this risk may arise from the absence or inadequacy of:

- a solid and transparent organisational structure with clear responsibilities, including the Corporate Bodies and the associated Committee;
- knowledge and understanding, among the Management Body, of the operating structure of the entity and the associated risks;
- policies aimed at identifying and preventing conflicts of interest;
- a transparent governance structure.

Climate and environmental risks¹²

Risks arising from climate change and environmental degradation, which give rise to structural changes affecting economic activity and, consequently, the financial system.

6.2 - Main actions and Functions involved in mitigating and controlling the Risks to which the Group is exposed

With reference to each of the relevant risks identified, the definition adopted by the Group and the main information related to the governance of the risk, the tools and methodologies for measuring/assessing and managing the risk and the structures responsible for the management are reported below.

Credit risk

Credit risk is typical of credit intermediation activities. It lies in the possibility of suffering losses on credit positions, whether on- or off-balance sheet, resulting from default or deterioration the counterparty's credit quality. In other words, credit risk is mainly expressed in the risk that a counterparty will not fulfil its obligations in full by not returning, in whole or in part, the subject of the contract.

Therefore, this risk is mainly found in the traditional activity of granting secured and unsecured loans recorded and not recorded in the financial statements (for example, endorsement credits) and the potential causes of default lie largely in the lack of liquidity of the counterparty and to a lesser extent in reasons independent of the financial condition of the counterparty. Activities other than traditional lending further expose the Group to credit risk.

In light of the provisions on the internal control system (Circular no. 285/2013, Part One, Title IV, Chapter 3), the Group has adopted an organisational structure that is functional to achieving an effective and efficient credit risk management and control process consistent with the framework addressed by the Parent Company. In addition to line controls (so-called first level controls), the outsourced functions within the Parent Company in charge of second and third level controls, with the collaboration of their respective contacts, are responsible for measuring and monitoring risk trends, as well as the correctness/adequacy of management and operational processes.

As for second level controls on the sector, the activity is the responsibility of the Risk Management Department, outsourced to the Parent Company, which makes operational use of its Internal Representatives at Affiliated Banks.

Under the Cohesion Contract, the Parent Company defines common and uniform rules and criteria for the performance of the Affiliated Banks' activities with reference to the entire process of granting credit and managing the related risk, which must cover risk measurement, preliminary investigation, disbursement, and the valuation of guarantees, including real estate guarantees, performance control and monitoring exposures, reviewing credit lines, the criteria and process for classifying risk positions as well as the related actions in the event of anomalies, the provisioning policy, measuring credit exposures, and managing and recovering impaired exposures.

The above rules and criteria are set out in the overall Group regulations, within the scope of which the Parent Company also defines its own decision-making autonomy for the granting of credit, the maximum exposure thresholds for each individual customer or group of connected customers for each Affiliated Bank according to the riskiness of the bank itself. Within these thresholds, the decision-making levels for the disbursement of credit are defined by the individual Affiliated Bank.

The Parent Company defines the system of credit policies guiding the overall allocation policy of the single associate alongside the "Group Regulations for the granting of loans", which defines the methodological standards to oversee the technical appraisal of new business. The strategy and related operational plan for impaired exposures at Group level is also defined annually. It

¹² This risk is considered to be a Level 2 risk within the following risk categories: credit and counterparty risk, market risk, operational risk, reputational risk, strategic and business risk, real estate portfolio risk, and liquidity and funding risk.

identifies binding short/medium/long-term objectives for each Affiliated Bank. To ensure the efficient management of impaired exposures, they may be assigned to the Parent Company (also through its subsidiaries) and/or to Affiliated Banks and/or to specialised outsourcers.

The Parent Company establishes the measurement criteria of exposures and creates a common information base that allows all Affiliated Banks to know the exposures of customers towards the Group, as well as the measurements concerning the exposures of borrowers.

In this regard, the Parent Company prepared the "Group Regulation for the Classification and Measurement of Loans", which, in addition to regulating the process of classifying credit exposures (both on and off-balance sheet), sets out rules for the measurement of real estate collaterals and other types of guarantees to safeguard against impaired exposures.

With reference to transactions with associated parties, the Group has adopted specific Regulations governing the identification, approval and execution of transactions with associated parties, as well as organisational structures and a system of internal controls to guard against the risk that the proximity of certain parties to its decision-making centres may compromise the impartiality and objectivity of the relevant decisions.

In consideration of the operating methods that characterise the Group's lending activities, the credit process was structured into the phases of planning, granting of credit, credit monitoring and classification and management of impaired items.

The Risk Management Department defines, as part of the Risk Appetite Framework process, the risk appetite that represents the maximum amount of capital that the Group is willing to put at risk in order to achieve its strategic-income objectives, based on the business model and strategic decisions adopted; in particular, as regards credit risk, the Risk Management Department, in line with the provisions of the prudential regulatory provisions, breaks down the risk objectives, identified in the RAF, into risk-limits and monitoring indicators. The former are designed to place a limit on operations through a system of thresholds and escalation procedures. These are assessed using the following metrics:

- capital requirement/internal capital: the metrics used for credit and counterparty risk are REAs, calculated using the standardised methodology, whereas, for concentration risk, internal capital calculated for single-name and geo-sector risk is used;
- indicators from the rating system: i.e. the risk parameters used to calculate the expected loss; additionally, the rating system forms the basis for the development of the IFRS 9 impairment model.

The Risk Management Department's overall monitoring of the sector, at the level of individual phases on the loan chain, is ensured by a methodological framework developed from a substantial overhaul of the work started off at the Banking Group's inception, launched under the Group Risk Management Department shake-up in July 2020. From this date, a process was launched to review rating systems and credit models (Model Roadmap). This was completed in October 2024 with the removal from service of old rating systems and IFRS 9 models of the Group (derived from previous former consortium developments) in favour of new models developed internally by the Risk Management Department, supporting core credit and financial-reporting processes.

The controls, carried out on the entire scope of the credit process chain (credit granting, performance monitoring, classification, NPL management, collateral management, provisioning), aim to determine compliance with internal procedures in their key risk coverage aspects and that they are suitable for ensuring efficient and effective credit management. This is also intended to contribute to a gradual increase in the reliability of the processes and procedures used and their ability to better monitor each individual area of the credit chain, including the timely identification and classification of anomalous positions and the correct estimation of the degree of coverage associated with them.

The control model makes it possible to modulate the structure of the verification on the individual control process/area through preliminary quarterly risk assessments (i.e. portfolio analyses) carried out on a large scale through specific sets of dedicated key risk indicators. This should provide an initial measurement of the risk of the individual area, also taking into account its historical evolution (cross-time comparison) and its positioning vis-a-vis the banking Group (cross-section comparison). It should also lo-

calise the possible risk drivers of the sector to more precisely address any in-depth, single-name analyses, at least on the control areas identified as core (credit granting, classification, collateral management, provisioning).

The control framework is subject to a continuous process of evolution and consolidation both through the refinement and recalibration of risk indicators, and through the integration of additional focus areas or areas of analysis and control over risk components deemed relevant, also in line with the internal and external dynamics of the Banking Group (geopolitical context, regulations, etc.).

The Risk Management Department also provides preliminary opinions on the consistency of the most significant transactions (MSTs) with the RAF by acquiring, based on the nature of the transaction, the judgement of the other departments involved in the risk management process. For these purposes, it identifies all the risks to which the Group may be exposed in undertaking the transaction; it quantifies and assesses, based on the data acquired by the competent company departments, the impacts of the transaction on the risk objectives, on the alert and tolerance thresholds; it evaluates, based on the aforementioned impacts, the sustainability and consistency of the transactions with the risk appetite defined by the Board of Directors; it identifies the measures to be adopted to adjust the overall risk governance and management system, including therein the need to update the risk appetite and/or the system of operating limits.

For the purpose of determining internal capital for credit risk, the Group uses the standardised method as set forth in Bank of Italy Circular 285/13, adopted for determining the capital requirement for credit risk.

To apply the standardised approach, the exposures are subdivided into portfolios and each portfolio is subjected to differentiated prudential treatments, possibly also based on credit ratings (external ratings) issued by external credit rating agencies or export credit agencies recognised by the Bank of Italy (ECAI and ECA respectively).

For the purpose of measuring the capital requirement for credit risk, the type of customer to which the exposures attributable to the subject are attributed is first identified. Customer classification is carried out not only for assets that generate a capital requirement for credit risk, but also for assets that fall within the scope of counterparty risk and settlement risk on non-contextual settlement transactions. The issuers of securities received as collateral and the guarantors/counter-guarantors/vendors of credit protection relating to personal collaterals are also included.

For classification purposes, account is taken of the sector of economic activity attributed to the customer, the "status" of the exposures, the turnover determined at customer group level, and the deductibility, where applicable, from the Group's own funds.

The following asset classes are particularly notable:

- of "Central governments and Central Banks" include, inter alia, deferred tax assets (DTAs), other than those deducted from equity, to which different weightings are applied depending on the source;
- of natural persons and small and medium enterprises are classified as "retail exposures". Small and medium-sized enterprises (SMEs) are defined as enterprises with no more than 250 employees and an annual turnover of no more than EUR 50 million and/or total assets of less than EUR 43 million. This threshold is calculated by referring to the total number of connected parties, irrespective of the existence of a customer relationship with them. This class includes only customers or groups of customers that meet certain exposure limits, i.e. exposures to a single customer (or groups of connected customers) that meet the requirement of adequate portfolio segmentation (granularity) and cash exposures (other than those secured by residential real estate collateral) that do not exceed EUR 1 million, without taking into account the effects of the real and personal protection instruments that support those exposures;
- "defaulted exposures" include non-performing exposures, probable defaults, exposures past due for more than 90 continuous days at the counterparty level according to Art. 178 of the CRR (new definition of default effective from 1 January 2021). Impaired (forbearance) exposures also fall within the above three classes. With regard to the allocation of positions in the "defaulted exposures" portfolio and, in particular, the treatment of past-due/defaulted exposures, the Group has adopted the "counterparty approach" also for those portfolios for which the adoption of the "transaction approach" is permitted under the new regulations. Default exposures classified as high risk are not included in this portfolio;

- of “Equity exposures” include, inter alia, significant investments in equities issued by financial sector entities, for the amount not deducted from the Group’s own funds (as it does not exceed the thresholds), which receive a weighting of 250%.

Credit risk also applies to the own securities portfolio. In compliance with the provisions of external and internal regulations, as well as the “Group Treasury Rules” and other relevant Risk Management Policies/Regulations, the “Group Regulation for the Management of Owned Portfolios” establishes precise quantitative limits for the assumption of risks related to these activities.

The Credit Department and the NPL Department are the Parent Company bodies responsible for the governance of the entire credit process (credit granting and auditing, monitoring, management of disputes) as well as the coordination and development of credit and lending business. The overall internal organisational structure in terms of allocating tasks and responsibilities aims to separate activities that are in conflict of interest, to the extent that is feasible, particularly through an appropriate ranking of authorisation profiles within the IT system.

The Group also uses credit risk mitigation techniques (hereinafter also “CRM”) to mitigate credit risk.

The Group considers as authorised CRM the forms of credit protection that comply with the general and specific requirements of Part 3, Title II, Chapter 4 of Regulation (EU) no. 575/2013.

In accordance with the relevant legislation, eligible credit risk mitigation techniques may be collateral or personal forms of credit protection, provided that the assets on which the protection is based meet the requirements of the legislation.

Taking into account its operating characteristics, the Group has decided to use the following CRM tools for prudential purposes:

- financial collateral involving cash, saving accounts, shares or listed bonds, government securities, certificates of deposit, bonds of affiliated banks, provided through agreements for the pledging and transfer of ownership and repurchase agreements;
- mortgages, whether voluntary or judicial, on residential and non-residential real estate;
- specific personal guarantees with State guarantee backing (direct guarantee, counter-guarantee).

Finally, the overall internal regulatory framework regarding the acquisition and management of the main forms of guarantee used to protect credit exposures was reviewed and updated during the year, in order to ensure that the legal, economic and organisational requirements under the regulations for their recognition for prudential purposes are met.

In order to mitigate credit risk, the Group is continuing to reduce its NPL stock through:

- the sale of impaired loans;
- the process of recovering impaired exposures by centralising management with the Parent Company.

Counterparty risk

The counterparty risk is a particular type of credit risk and represents the risk that the counterparty to a transaction involving certain financial instruments specifically identified by the regulations will default before the transaction is settled.

The regulations specify that the transactions that can give rise to counterparty risk, which is a particular type of credit risk, are as follows:

- over-the-counter (OTC) credit and derivative financial instruments;
- repurchase and reverse repurchase agreements on securities or commodities, securities or commodities lending or borrowing transactions and margin lending (SFT – Securities Financing Transactions);
- transactions with long-term settlement (LST – Long Settlement Transactions).

Counterparty risk management and control is part of the Group's broader risk management and control system, structured and formalised in specific internal regulations.

The Cassa Centrale Group is exposed to counterparty risk in relation to OTC derivative activities and repurchase agreements (SFT). OTC derivative transactions are almost entirely perfectly balanced. There are, therefore, sporadic transactions for hedging assets or liabilities and intermediation by the Parent Company, while speculative operations are not implemented.

The Group estimates the additional requirement for Credit Valuation Adjustment (CVA) applicable to OTC derivatives transactions, based on the standardised methodology set out in Article 384 of the CRR. The capital absorption is calculated from the estimated credit equivalent determined for counterparty risk purposes, taking into account the residual maturity of derivative contracts and the creditworthiness of the counterparty.

The Risk Management Department prepares a report on the results of the counterparty risk measurement and monitoring phase for the General Management and the Board of Directors.

Market risks

Market risks concern the risks generated by operations on the markets regarding financial instruments, currencies and commodities. They are divided into:

- **Specific position risk on debt securities in the trading book**, which represents the risk of incurring losses caused by adverse changes in the price of such financial instruments due to factors associated with the situation of the issuers;
- **Generic position risk on debt securities in the trading book**, which represents the risk of incurring losses caused by adverse changes in the price of such financial instruments due to factors associated with movements in market interest rates (risk factor affecting the current value of such instruments);
- **Position risk on equities in the trading book**, which comprises two components:
 - "generic risk", i.e. the risk of incurring losses caused by adverse changes in market prices of most equities;
 - "specific risk", i.e. the risk of incurring losses caused by adverse changes in the price of a given equity due to factors connected with the situation of the issuer;
- **Position risk for UCITS units in the trading book**, which represents the risk of incurring losses caused by adverse changes in market prices;
- **Exchange rate risk**, i.e. the risk of incurring losses due to adverse changes in the prices of foreign currencies on all positions held by the Group regardless of the allocation portfolio on the entire financial statements.

Settlement risk is the risk of losses arising from a counterparty's failure to settle past due transactions in securities, currencies and commodities, including those represented by derivative contracts and derivative contracts without exchange of principal, in both the banking and trading books for supervisory purposes. Repo transactions and securities or commodities lending or borrowing transactions are excluded.

Concentration risk of the trading book is linked to the possibility that the insolvency of a single large borrower or of several borrowers related to each other could lead to losses that could compromise the stability of the lending bank. For this reason, the regulatory provisions in force concerning "large exposures" prescribe a mandatory quantitative limit, expressed as a percentage of eligible capital, for risk positions with individual "customers" or "groups of connected customers". Any overdrafts with respect to this limit are permitted only if they refer to a position in the trading book for supervisory purposes and provided that specific additional capital requirements are met.

It should be noted that – given its specific scope of operations – Group is not exposed to commodity position risk.

The Group uses the standardised methodology to determine capital requirements for market risks generated by its transactions in financial instruments, currencies and commodities. This methodology calculates the requirement on the basis of the so-called building-block approach, according to which the overall requirement is the sum of the capital requirements determined against individual market risks.

More specifically, with regard to determining the capital requirement for “**Position Risk on the trading book**”, the Group applies the following methodologies:

- **General debt security risk:** use of the maturity-based method. This method calculates the net position for each issue and then distributes it, by currency, into residual maturity bands;
- **Specific debt security position risk:** net positions in each security in the trading book are allocated to the correct issuer category (zero-weighted issuers, qualified issuers, non-qualified issuers, high-risk issuers). The capital requirement for each category is the product of the respective weighting ratio and 8%. The capital requirement for each specific risk is applied to the total sum of the weighted net long and short positions;
- **Equity position risk:** the capital requirement is determined as the sum of the general requirement (8% of the net general position) and the specific requirement (8% of the gross general position). To calculate equity position risk, all positions in the trading book relating to equities and equity-like securities, such as equity index derivative contracts, are considered;
- **Position risk for UCITS units:** application of the residual method, whereby the capital requirement is determined at 32% of the current value of the units held in the trading book.

With reference to **settlement risk**, the exposure to the risk of past due and unsettled transactions:

- classed as “delivery versus payment” (DVP) represents the difference, if positive, between the contractual forward price to be paid/received and the fair value of the financial instruments, commodities or currencies to be received/delivered;
- classed as “non delivery versus payment (non-DVP)” represents the fee paid or the fair value of the financial instruments, commodities or currencies delivered.

For DVP transactions, the capital requirement is determined by applying an increasing weight to the risk exposure based on the number of business days following the settlement date. For non-DVP transactions:

- In the period between the “first contractual settlement date” and the fourth business day following the “second contractual settlement date”, the capital requirement is determined with regard to credit risk by applying the 8% equity ratio to the credit exposure value weighted according to the relevant weight factors;
- after the second contractual settlement date, the value of the risk exposure, increased by any positive difference between the fair value of the underlying asset and the price, must be weighted at 1250% or fully deducted from the Common Equity Tier 1 capital.

With regard to **exchange rate risk** on the entire balance sheet, capital absorption is quantified as 8% of the “net open foreign exchange position”. In compliance with the provisions of the Finance Regulation, the risk strategy document also sets quantitative limits for the Parent Company for the overall open foreign exchange position and for each individual currency.

The Group complies with the observance of prudential rules with specific procedures and control systems aimed at ensuring sound and prudent management of market risks.

The policies relating to the management of the securities portfolio defined by the Board of Directors are based on the following main elements:

- definition of risk/return objectives;
- definition of risk appetite (defined in terms of operating limits in the finance portfolios with reference to the various management, accounting and supervisory aspects). In particular, value-at-risk (VaR) limits, issuer and instrument type limits and concentration risk exposure limits are established and measured;
- restriction on tradable financial instruments in terms of the instruments admitted (or admitted in position but with specific exposure limits) and their nature;
- allocation of delegations.

Negotiable instruments are also defined within the aforementioned policies.

No transactions are permitted, unless authorised in advance by the Board of Directors, on any financial instruments established as a new instrument. Although they have been reviewed according to the organisational processes in force, they require the prior authorisation of the Board of Directors in order for them to be traded since they are exposed to risk factors that should be assessed in absolute terms and with respect to the specific instrument analysed.

In order to manage and monitor market risk exposures taken as part of the trading book, the Group has defined in the “Group Regulation for the Management of Owned Portfolios” and in the underlying implementing provisions: the guiding principles, roles and responsibilities of the organisational functions involved. This is in order to ensure the regular and orderly execution of financial market activities, within the scope of the risk/return profile outlined by the Board of Directors or declared by customers, and to maintain a correct mix of instruments aimed at balancing liquidity flows.

In this regard, the Planning Department has the task of assessing the opportunities offered by the market and managing the portfolio of financial instruments in line with the strategic guidelines and risk management policy defined by the Board of Directors. To this end, it identifies the instruments to be traded and carries out the purchase/sale transaction in line with the strategy it wishes to implement (investment or hedging) and in compliance with the limits and powers assigned. The Planning Department is also responsible for monitoring the price performance of financial instruments and for verifying compliance with the operating limits and/or risk/return objectives defined, adjusting, where appropriate, the structure and composition of the proprietary portfolio.

The Group has established systems and controls for portfolio management by defining a documented trading strategy by position or portfolio and appropriate policies and procedures for active position management. The system of operating limits and delegations on the trading book and on the banking book is compliant with regulatory provisions and consistent with the requirements of international accounting standards.

In order to monitor and control market risks, information flows to the corporate bodies and organisational units involved are produced on a regular basis, concerning the specific phenomena to be monitored and the aggregate values relating to the composition of the Group’s trading book.

Operational risk

Operational risk is defined as the possibility of incurring losses resulting from inadequate or dysfunctional procedures, human resources and internal systems, or from exogenous events. This definition includes legal risk, but not reputational and strategic risk. This includes, inter alia, losses resulting from fraud, human error, breach of contract, natural catastrophes, business interruptions and system downtime.

Operational risk also includes third-party risk, namely the risk of incurring economic losses, damage to reputation or market share losses arising from the outsourcing/supply of services and/or company functions.

With regard to legal risk, the Group includes the risk of losses deriving from contractual or non-contractual liability or from other disputes, while the risk of losses deriving from violations of laws or regulations is attributed to a specific case, defined as compliance risk.

With reference to the measurement of the prudential requirement for operational risks, the Group has approved the application of the Basic Indicator Approach (BIA). In addition, the Group, for the purpose of managing and controlling operational risk, continuously verifies exposure to certain onset profiles through the analysis and monitoring of a set of indicators, carried out by the Risk Management Department.

In addition to the Corporate bodies, different organisational units are involved in the management and control of operational risks, each of which is assigned specific responsibilities consistent with the ownership of the activities of the processes in which the risk in question can occur. Among these, the Risk Management Function is responsible for analysing and assessing operational risks, ensuring an effective and timely evaluation of the related event profiles, in accordance with the operating procedures for which it is responsible.

The Internal Audit Function, in the broader context of the control activities for which it is responsible, carries out specific and targeted periodic checks on operational risks. Lastly, with regard to organisational controls, particularly important is the

Compliance Function which is responsible for monitoring and controlling compliance with the rules as well as providing support in the prevention and management of the risk of incurring judicial or administrative sanctions, of incurring significant losses as a result of the violation of external (laws or regulations) or internal (articles of association, codes of conduct, corporate governance codes) rules, and, for all pertinent areas, also important is the work carried out by the Anti-Money Laundering Function.

Considering the peculiar characteristics of the risk in question and the way it manifests itself, as well as the substantial inability of the regulatory method of calculating capital absorption (BIA method) to identify the areas of operations most exposed to operational risks, the Group deemed it appropriate to develop a more in-depth management approach, aimed at acquiring a better knowledge and awareness of the actual level of exposure to risk.

With the support of a dedicated tool, a census, collection and storage of the most significant loss events found in the company's operations is carried out. To this end, a specific database has been set up in which the loss events identified are traced back to the types envisaged by the Basel Agreement (and to the related risk owners). The application adopted allows to frame the entire operational risk management process (from the recognition and registration by the organisational units where the event was found, to the "validation" of the same, up to the authorisation for the accounting of the economic impact) within a predefined workflow. The Group's objective is to identify the areas characterised by greater vulnerability, in order to prepare more effective control and mitigation systems. In this context, the application solution adopted makes it possible to manage the mitigation "tasks", i.e. the risk containment initiatives for risk owners and activated by them.

Operational risks also include the risk profile associated with ICT and security risk, namely the risk of incurring losses due to a breach of confidentiality, lack of integrity of the systems and data, inadequacy or unavailability of the systems and data or inability to replace the information technology (IT) within a reasonable time and cost limits, in case of changes to the requirements of the external environment or activity (agility), as well as security risks arising from inadequate or incorrect internal processes or external events, including cyber attacks or a level of inadequate physical security.

The Group defined, in close connection with project references drawn up in the competent association offices and in compliance with the principles and regulations in force, the method for analysing ICT and security risk and the related management process (including profiles relating to the provision of IT services through the outsourcing of ICT services to external suppliers). The implementation of the afore-mentioned methodology makes it possible to integrate the management of operational risks by also considering the risks connected to IT and business continuity profiles, and to document the evaluation of ICT and security risk based on the continuous information flows established with the Centre(s)/Service(s). The adoption of these references is also prior to the preparation of the process of verification, at least annually, of the evaluation of ICT and security risk based on the results of the monitoring of the effectiveness of the measures to protect ICT resources.

With regard to the management of operational risks, to be noted are the controls adopted in the context of compliance with the regulations introduced by the regulatory provisions on the internal control system which have defined a comprehensive framework of principles and rules to be followed in order to outsource corporate functions and have required the activation of specific controls against the related risks, as well as the maintenance of the ability to control the work of the supplier and the skills necessary for the possible re-insourcing, if necessary, of the outsourced activities.

In order to ensure compliance with the requirements of the regulations in force, the Compliance Department defines specific outsourcing agreements. In this context and with reference to the outsourcing of important operational and corporate control functions, which entails more stringent obligations in terms of contractual restrictions and specific requirements demanded of suppliers (related to defining specific, objective and measurable service levels and related materiality thresholds, among other things), the service levels assured in the event of an emergency and the related continuity solutions are defined. The contractual provisions also provide for, inter alia: (i) the right for the Supervisory Authority to access the premises where the service provider operates; (ii) the presence of specific termination clauses to terminate the outsourcing agreement in the event of certain events that prevent the provider from guaranteeing the service or in the event of failure to meet the agreed service level.

The Group internally maintains the expertise required to effectively control the Important Operational Functions (IOF) and to manage the risks associated with outsourcing, including those arising from potential conflicts of interest of the service provider. In this context, an internal contact representative has been identified within the organisation for the outsourced activities, with adequate professional requirements, responsible for monitoring the level of services provided by the outsourcer and set out in

the respective outsourcing contracts and for reporting to corporate bodies on the status and performance of the outsourced functions.

More generally, as part of the actions undertaken with a view to ensure compliance with the regulations introduced by the Bank of Italy through the 15th update of Circular 263/06 (and subsequently merged into Circular 285/13, Part One, Title IV, Chapter 4), initiatives related to the implementation of organisational profiles and internal provisions of regulatory references on information systems are of note.

The adoption of a Business Continuity Plan to protect the Bank against critical events that may affect its overall operations is also part of the measures to mitigate these risks. With this in mind, the operating procedures to be activated to deal with the crisis scenarios were established, assigning to this end the roles and responsibilities of the various players involved.

Although it is not necessary, in general, to change the underlying business continuity strategy, the references adopted have been reviewed and supplemented in the light of the requirements set out in Chapter 5 of Title IV of Part One of Bank of Italy Circular 285/13, to support compliance with the reference provisions. In particular, the Business Continuity Plan was updated with reference to the risk scenarios which, although in principle compatible with those already described previously, are now more precautionary than those envisaged in the current provisions. Incident classification and rapid escalation procedures have also been introduced along with the anticipation of the necessary links with the IT security incident management procedure in accordance with the relevant regulatory provisions set forth in Chapter 4, Title IV, Part One of Circular 285/13.

Credit concentration risk

Credit concentration risk is the risk arising from exposures to counterparties, including central counterparties, groups of related counterparties (single-name concentration) and counterparties operating in the same economic sector, in the same geographical region or carrying out the same activity or trading the same commodity (geo-sectorial concentration), as well as from the application of credit risk mitigation techniques, including in particular risks deriving from indirect exposures, such as, for example, towards individual guarantee providers.

The policies on concentration risk, resolved upon by the Board of Directors, are mainly based on the following specific elements:

- powers delegated in terms of concentration risk management;
- total amount of exposure to “large risks”.

With a view to prudent management, the Parent Company defines maximum exposure thresholds at the level of each individual affiliated bank, depending on its risk class, and at Group level, in line with the regulatory provisions in force relating to Large Exposures and the provisions contained in the risk management framework. Compliance with the thresholds is ensured by the application of specific preventive controls carried out by the Credit Department of the Parent Company, in the pre-investigation and pre-trial phase, for each loan application processed within the processes of granting and managing credit by the Affiliated Banks and of the Parent Company.

Exposure to concentration risk is also measured and monitored in terms of capital absorption. To this end, the Group uses the following calculation metrics:

- with regard to single-name risk definition (i.e. concentration towards individual counterparties or groups of connected counterparties), the regulatory Granularity Adjustment (GA) algorithm. For the application of this algorithm, Circular 285/13 of the Bank of Italy refers to the concept of loan portfolio and, in particular, to exposures to companies that do not fall within the “retail” class. In this regard, reference should be made to the asset class “companies and other entities”, “short-term exposures to companies”, “exposures to companies in the asset classes that are past due and secured by real estate”, “equity exposures” and “other exposures”. The exposures also include off-balance sheet transactions, the latter to be considered for an amount equal to their credit equivalent. In the presence of credit protection instruments that meet the (objective and subjective) eligibility requirements under the current rules for credit risk mitigation techniques (CRM), exposures to companies backed by guarantees provided by eligible companies are included in the calculation and exposures to companies backed by guarantees provided by eligible entities other than companies are excluded. In application of this algorithm, the quantification of the internal capital in relation to the concentration risk requires preliminary:

- determination of the amount of exposures for individual counterparties or groups of related counterparties;
 - calculation of the Herfindahl index, a parameter that expresses the degree of concentration of the portfolio;
 - calculation of the proportionality constant C which is a function of the “probability of default” (PD) associated with cash loans. The proportionality constant is determined on the basis of a specific calibration – established by the regulatory provisions in force – of the constant itself when the PD attributed to cash loans changes;
- with reference to the geo-sectoral profile of the risk, the methodology for estimating the effects on internal capital used is the method developed by the ABI Laboratorio per il Rischio di Concentrazione [Laboratory for Concentration Risk]. The objective of measuring the impacts of geo-sectoral concentration risk is to estimate any capital add-on with respect to the standardised credit risk model, measured by the Herfindahl indicator at industrial sector level. The capital add-on is envisaged only if the calculated mark-up coefficient is greater than one.

Liquidity and funding risk

Liquidity risk relates to the possibility of the Group not being able to fulfil its payment obligations due to an incapacity to obtain new funds (funding liquidity risk), its inability to sell its assets on the market (asset liquidity risk), or that it may be forced to liquidate its assets in unfavourable market conditions, incurring very high costs to meet these commitments (market liquidity risk).

Funding liquidity risk can be divided into: (i) mismatching liquidity risk, consisting of the risk associated with the different time profile of cash inflows and outflows determined by the misalignment of the maturities of financial assets and liabilities on (and off) the balance sheet; (ii) contingency liquidity risk, i.e. the risk that unexpected events may require a higher amount of cash and cash equivalents than estimated as necessary; and (iii) margin calls liquidity risk, i.e. the risk that the Group, in the event of adverse changes in the fair value of financial instruments, is contractually required to restore the reference margins by means of collateral/cash margins.

Liquidity risk can be generated by various factors both internal and external to the Group. The identification of these risk factors is done through:

- the analysis of the time distribution of cash flows of financial assets and liabilities and off-balance sheet transactions;
- the identification of:
 - items that do not have a defined due date (on demand and revocation items);
 - financial instruments that incorporate optional components (explicit or implicit) that may change the entity and/or the time distribution of cash flows (e.g. early redemption options);
 - financial instruments that by their nature determine variable cash flows depending on the performance of specific underlying assets (e.g. derivatives);
- the analysis of the level of seniority of financial instruments.

The Parent Company’s Board of Directors has approved a document entitled “Group Regulation for Liquidity and Funding Risk Management” which defines the policies, responsibilities, processes, operational limits and tools for managing liquidity risk, both during normal business operations as well as during potential liquidity crises, in line with current liquidity regulations. The Regulation includes the strategies and organisational measures which serve to promptly contain liquidity risk; the ordinary and stress scenarios which the Group may encounter are defined. The sources of liquidity risk to which the Group is exposed can primarily be identified within the Treasury, Funding and Credit processes.

The Group has adopted a liquidity risk governance and management system that, in accordance with the provisions of the Supervisory Authorities, pursues the goal of financing the development of its activities at the best market conditions in normal operating circumstances and to guarantee the ability of meeting payment commitments even if a liquidity crisis situation emerges, without interrupting operational continuity or alter the Group’s financial balance.

If the Parent Company finds a deterioration of the Group's liquidity position in terms of operational and/or intraday management such as to jeopardise the settlement of payment commitments in the short term, it can use the liquid assets owned by the Affiliated Banks, which are required to comply with the Parent Company's instructions. In order to ensure the operational requirements envisaged by the Delegated Regulation no. 61/2015, the Affiliated Banks expressly agree that the securities in their own portfolios fall under the direct control of the Group Liquidity Management Function as a potential source of funding in times of stress.

With the purposes of knowing future liquidity requirements with adequate advance notice, to have available fund supply sources that can be activated within the time intervals and at the costs deemed appropriate, and to carry out the activity efficiently, the management of liquidity risks requires:

- defining the organisational structure responsible for the preparation and implementation of the "Group Regulation for Liquidity and Funding Risk Management";
- setting up an adequate information system to:
 - know and measure, at any time, the Group's current liquidity position and its future evolution;
 - assess the impact of different scenarios, in particular of unforeseen and adverse conditions, on the future evolution of the Group's liquidity position;
 - monitor the different fund procurement channels, in the evolution of their profiles in terms of times required for activation, amounts and costs;
- defining a Contingency Funding Plan, to be activated promptly if the Group experiences a liquidity crisis, establishing the chain of responsibility and the system of initiatives to overcome the crisis situation successfully.

The organisational structure tasked with governing and managing the operational and structural liquidity is the Treasury Service, which acts on the basis of the strategic guidelines defined by the Board of Directors, as well as the indications given by the Finance and Treasury Committee. Control activities are carried out by the Risk Management Department in coordination with the Treasury Department. The results of the control activities are passed on to the Board of Directors.

The principles for liquidity risk management are defined in the "Regulation for Liquidity and Funding Risk Management". This document is divided into four processes:

- Operating Liquidity, whose objective is to assure the ability to meet expected and unexpected payment commitments by maintaining a sustainable ratio between incoming and outgoing cash flows. The management of operational liquidity is entrusted to the Parent Company's Treasury Service and to the structure that oversees Treasury at the Affiliated Banks, on the basis of indications received and in compliance with the guidelines established by the Parent Company's Board of Directors. The main risk objective envisaged by the Group RAF to measure and govern the operational liquidity risk profile is the Liquidity Coverage Ratio (LCR), which aims to strengthen the short-term resilience of the liquidity risk profile by ensuring that sufficient high-quality liquid assets (HQLA) are held. On a weekly basis, a consolidated report is produced and sent to the Supervisory Authority, which monitors the short-term trend of the Group's liquidity position. In September 2023, the Group prepared the SLT template (Liquidity Exercise Weekly), which provides a weekly snapshot of the consolidated liquidity position, concentration of secured and unsecured funding and the distribution of on demand deposits in relation to the type of counterparty. Within the analysis of operational liquidity, the Parent Company monitors intra-day liquidity by using the two indicators derived from the 'Annual report on financial stability' of the Bank of Italy of November 2011 (LCNO – Largest cumulative net outflow and LIIP – Liquidity and intraday payment commitments);
- Structural Liquidity, whose objective is to maintain an adequate ratio between medium/long term assets and total liabilities, in order to avoid pressures on current and prospective short-term sources; structural liquidity is managed by the Treasury Department and the treasury service department of the Affiliated Banks, which operate in accordance with the strategic guidelines laid down by the Board of Directors, and it is directed at assuring the financial balance of the structure by maturity over a time horizon exceeding one year. Through the analysis of the Group's structural liquidity position, the ability to finance assets and to meet payment commitments through an adequate balance of the maturity of asset and liability items is assessed. Hence, the main objective is to manage funding through strategic decisions pertaining to

funding sources and to the loans to be made in such a way as to prevent the emergence of excessive imbalances deriving from short-term financing of medium-long term operations. To measure and control structural liquidity risk, the Group uses as a reference the Net Stable Funding Ratio (NSFR);

- Stress test and scenario analysis, a process during which the financial balance is assessed in plausible, albeit improbable, extreme conditions. The data collected through reports during the year, along with the historic records of the same types of data, provide support in the execution of stress tests and scenario analyses, carried out with the goal of verifying the Group's ability to address alert and crisis conditions outside normal operations. The procedure for carrying out operational liquidity stress tests entails modifying the profile of incoming and outgoing cash flows on the basis of the effects deriving from the occurrence of stress cases. These cases, tied to factors inside and outside the Group, are selected taking into consideration scenarios built ad hoc, which can prove to be sufficiently severe, and contemplating even low-probability events. The Risk Management Department, with the support of the Parent Company's Treasury Service, periodically estimates the maximum amount of liquidity that can be obtained at the Parent Company level (back-up liquidity estimates). Moreover, the amount of available margin of high-quality liquid assets at Affiliated Banks is also shown. This type of analysis is carried out with respect to the time horizon of 30 calendar days following the valuation date;
- Contingency Funding Plan (Emergency Plan), a process directed at managing the emergence of a severe liquidity crisis of the Group. This document governs the tools for monitoring the onset of a crisis, the internal escalation processes for managing it and the actions that can be put in place to restore a situation of equilibrium.

The liquidity risk tolerance thresholds are set by the Board of Directors on the basis of the following limits:

- for Operational Liquidity, the limit is set to the value assumed by the Liquidity Coverage Ratio (LCR) indicator, i.e. the ratio between basic and supplementary liquid assets and total net cash outflows in the 30 subsequent calendar days in a stress scenario. The structure of the indicator is based on Commission Delegated Regulation (EU) no. 2015/61, supplementing Regulation (EU) no. 575/2013 (CRR) and hence transposes into Italian law the provisions of the Basel Committee in the document "Basel 3 – The Liquidity Coverage Ratio and liquidity risk monitoring tools". With reference to the monitoring of operational liquidity, a series of additional indicators were identified;
- for Structural Liquidity, the limit is set at the value assumed by the Net Stable Funding Ratio (NSFR) indicator, i.e. by the ratio between the elements that provide stable financing and the elements that require stable financing. The structure of the indicated is based on Regulation (EU) no. 2019/876, which recognised the guidelines of Basel Committee "Basel III: the Net Stable Funding Ratio", of October 2014. With reference to the monitoring of structural liquidity, a series of additional indicators were identified.

If the Risk Limits are exceeded, actions and measures are envisaged with the aim of reducing the level of risk to within the pre-established limits identified in the "Group Regulation for the Management of Liquidity and Funding Risk", identifying actions to be taken when the first critical situations occur. Therefore, escalation processes were envisaged: they will be activated if the Risk Management Department, through its periodic monitoring activities, finds changes in the thresholds envisaged in the Regulation. Moreover, the Risk Management Department, as part of its ordinary monitoring reporting, informs the corporate bodies of the individual Affiliated Banks concerned and the corporate bodies of the Parent Company about the overrunning of the thresholds and about the remediation actions taken to restore the liquidity position.

Regulation (EU) no. 575/2013 (CRR) prescribes that financial intermediaries shall use Additional Liquidity Monitoring Metrics (ALMM) to obtain a full picture of the liquidity risk profile. Specifically, the Implementing Regulation (EU) no. 2016/313 prescribes that the following 6 models must be set up as control information instruments:

- **Funding concentration by counterparty:** its purpose is to collect information about funding concentration by counterparty of the reporting entities, highlighting the first ten funding contributors;
- **Funding concentration by type of product:** its purpose is to collect information about funding concentration by type of product of the reporting entities, broken down by the following types of funding: retail funding and wholesale funding;
- **Prices for funding of various durations:** its purpose is to collect information about the average value of the transactions and the average prices paid by the entities for funding with duration ranging from overnight to 10 years;

- **Renewal of the funding:** its purpose is to collect information about the volume of funds due and on the new funding obtained, i.e. on the renewal of funding at the daily level over a one-month time horizon;
- **Concentration of the offsetting capacity by issuer/counterparty:** its purpose is to collect information about the concentration of the offsetting capacity of the reporting entities with reference to the 10 main assets held or liquidity lines granted to the entity for that purpose;
- **Maturity Ladder:** used to represent assets and liabilities falling due, divided into a number of time brackets; it is possible to determine any gaps for each time bracket and compare them with the Group's compensation capacity.

These information models are drawn up monthly and the Group, in the face of possible critical situations, assesses whether to activate appropriate governance strategies to avoid the emergence of stress situations.

The monitoring of the Group's liquidity situation, based on the reports, on the scenario analyses and on the signals provided by the risk indicators, is carried out, according to their related competences and functions, by the Treasury Department, by the Finance and Treasury Committee and by the Risk Management Department.

The positioning of the Group with regard to operational and structural liquidity is also reported to the Board of Directors on a quarterly basis.

The requirements of the Cassa Centrale Group are largely ascribable to decreases in liquidity available to shareholder banks or clients; the Group's ability to respond to its own needs is constantly assessed, taking into account in particular the following:

- availability and price of securities that can be easily liquidated;
- availability of credit within the interbank system;
- potential of institutional bond funding;
- use of other funding tools.

With regard to attainable credit and the potential for bond funding, the Group adopts the best practices in order to safeguard or improve the ratings attained thus far. The internal regulation of liquidity risk management meets the requirements set out in the regulatory provisions and guarantees consistency between the management measurements and the regulatory ones.

With regard to monthly monitoring, the Group measures and monitors its exposure to operating liquidity risk at 30 days through the regulatory indicator called Liquidity Coverage Ratio (LCR). It is a short-term rule aimed at ensuring the availability of liquid assets by individual banks that allow them to survive in the short to very short term in the event of acute stress, without recourse to the market. The indicator compares the liquid assets available to the Group with net cash outflows (difference between gross outflows and inflows) expected over a 30-day time period, the latter developed taking into account a predefined stress scenario.

The indicator in question is determined monthly through the specific Supervisory Reports that the Group is required to send to the Supervisory Authority.

Interest rate risk of the banking book

The interest rate risk on the banking book consists of the possibility that a change in market interest rates has a negative impact on the financial situation of the Group, determining a change in the economic value and/or in the expected net interest income.

More specifically, exposure to interest rate risk can be divided into two areas:

- equity risk, i.e. the possibility of negative changes in the value of assets, liabilities or off-balance sheet instruments due to changes in the interest rate structure, with a consequent negative impact on the value of equity;
- income risk, which arises from the possibility that an unexpected change in the structure of interest rates will lead to a reduction in net interest income; it can depend on the mismatch in the maturity structure and the periods of redefinition of interest rate conditions for loans and funding.

Exposure to interest rate risk is measured in terms of changes in the economic value of assets and liabilities in the banking book; therefore, positions in the trading book for supervisory purposes for which reference is made to market risk are not taken into account in this context.

In order to measure the exposure to interest rate risk in terms of capital absorption from an economic value perspective, the Group has decided to use an estimation approach that follows the method prescribed in the EBA 2022/14 guidelines. The calculation of the change in economic value (delta EVE) carried out by the Group is summarised below:

- the present value of all asset and liability positions sensitive to interest rate risk is determined on the basis of the expected interest rate scenario in the banking book;
- appropriate upward and downward shocks to the curve, both parallel and non-parallel. The measurement of sensitivity on the economic value and that calculated on the net interest income uses the 6 shock scenarios envisaged by the Basel Committee, then borrowed from the EBA guidelines (EBA/GL/2022/14), in addition to the parallel shock scenarios, assuming rising and falling rates (Parallel +100 bps; Parallel -100 bps; Parallel +200 bps; Parallel -200 bps, Steepener; Flattener; Parallel Down; Parallel Up; Short Up; Short Down) and an additional two management shocks, baseline and adverse, created internally on the basis of the Prometeia Forecast Report published quarterly;
- for scenarios involving a decline in rates, a decreasing floor is taken into account, starting at 150 negative basis points and zeroing out linearly up to the 50-year maturity in increments of three basis points for each year;
- the performance over time of demand liability items (borrowing and lending with retail counterparties and corporate SMEs) is developed using a behavioural benchmark model estimated on the historical series of the Group's volumes and rates;
- the repayment profile of mortgage loans is developed through a prepayment behavioural model, estimated on the historical series of volumes and early repayment events (partial and/or total). This study found four models, based on the type of rate (fixed/variable) and the type of loan (mortgage/unsecured);
- the new present value is redetermined for each shock scenario;
- capital absorption is determined by the difference of the two present values, pre- and post-shock.

The Group assesses exposure to interest rate risk not only in terms of economic value, but also in terms of changes in net interest income. This assessment, considering a hypothetical change in the interest rate curve, is carried out over a period of 12 months following the reference date, under the assumption of "constant financial statements", i.e. assuming that the volume and composition of assets and liabilities remain constant, thus providing for their replacement in equal measure as they are settled.

6.3 - Supervisory review and evaluation process and MREL requirement

With reference to the outcome of the SREP – Supervisory Review and Evaluation Process communicated by the Supervisory Authority by the Parent Company with the letter dated 10 December 2024, and effective from 1 January 2025, the Group is required to meet, on a consolidated basis, a total SREP capital requirement (TSCR) of 10.50%, including an additional requirement with regard to Pillar 2 (P2R) own funds of 2.50%, to be held as a minimum in the form of Common Equity Tier 1 (CET1) capital for 56.25% and in the form of Tier 1 capital of 75%).

The Supervisory Authority also expects the Group to meet the Pillar 2 (P2G) approach on a consolidated basis, which should consist entirely of Common Equity Tier 1 capital and held in addition to the total capital requirement.

Lastly, with reference to the Resolution regulatory framework, in application of the European Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (the so-called BRRD), during the 2023 Resolution Cycle discussions continued with the SRB (Single Resolution Board), in order to define the MREL (Minimum Requirement of Eligible Liabilities) targets to be assigned to the Group. These targets were defined in compliance with the regulatory changes introduced by the so-called Banking Packages, and therefore replace the previous decisions adopted by the SRB on the matter.

The determination of the MREL requirement was communicated to the Parent Company on 27 March 2024. For details, please refer to the section “Significant events in the year” of this Report.

6.4 - ICAAP and ILAAP

The corporate self-assessment processes of capital adequacy (known as ICAAP) and liquidity risk management and governance system (known as ILAAP) of the Group and their structure are based on a management model consistent with the operations and complexity of the Group, according to the principle of proportionality.

In the exercise of guidance, coordination and control over the Affiliated Banks and Group Companies, the management model defines in detail the roles and responsibilities of the corporate bodies and structures involved in the management of the ICAAP/ILAAP process. In particular, to achieve an effective and efficient management and control system, the Bodies are responsible for implementing it, supervising its actual functioning and verifying its overall functionality and compliance with the regulatory requirements. In order to achieve an integrated and coherent risk governance policy, Group strategic decisions are made by the Parent Company’s corporate bodies, assessing the overall operations and risks of the entire Group with attention to the peculiarities of the different businesses and local contexts. The Parent Company has therefore adopted a unitary and integrated system of internal controls that allows effective control over strategic decisions at consolidated level and the managerial balance of the individual affiliated banks and other companies that have outsourced the Risk Management function to the Parent Company.

In particular, in compliance with the structure of the ICAAP/ILAAP process provided for by the Supervisory Provisions, procedures were defined for:

- the identification of all risks to which the Group is or could be exposed, i.e. risks that could jeopardise its operations, the pursuit of defined strategies and the achievement of corporate objectives;
- the measurement/assessment of risks in current, prospective and stress scenarios with measurement methodologies adapted to the new supervisory provisions;
- the self-assessment of capital adequacy taking into account the results separately obtained with reference to the measurement of risks and of capital from a current, prospective and stress perspective;
- the self-assessment of the adequacy of the liquidity and funding risk management process, taking into account the results obtained with reference to the measurement of liquidity risk from a current, prospective and stressed perspective.

The assessment conducted by the Risk Management Department confirmed the general and overall level of adequacy of the ICAAP and ILAAP system adopted by the Group, as summarised by the satisfactory free capital buffer and high adequacy of the LCR and NSFR liquidity indicators in relation to minimum regulatory requirements.

6.5 - Climate and Environmental Risks

The integration and management of climate and environmental risks (i.e. C&E) in the regulatory and prudential supervisory framework is of major importance for European Supervisory Authorities. As also indicated in the ECB “Guide on climate-related and environmental risks”, the process leading towards a transition to a more sustainable economy entails – simultaneously – risks and opportunities for the entire economic system and for financial institutions; on the other hand, damage from physical events caused by climate change and environmental degradation can generate very significant impacts on the real economy and the financial sector.

This includes the provisions of the “ECB’s Supervisory Expectations on climate-related and environmental risks”, which aim to ensure that climate and environmental risks are fully integrated into the Group’s strategy, as well as into the overall risk management system, in order to mitigate and communicate them in accordance with the relevant regulatory requirements.

Over the last three years, also in response to discussions with the Supervisory Authority, the Group has started a progressive process of self-assessment and alignment to the “Supervisory Expectations on C&E risks” articulated in the following main stages:

- in 2021 with the first self-assessment questionnaire with respect to the degree of alignment with the ECB’s “Supervisory Expectations on climate-related and environmental risks” (the “ECB Guidelines”) and the related definition of an initial Action Plan aimed at enabling full alignment. As part of the ICAAP and ILAAP process, the Group already in 2021 had identified a number of evolutionary areas required to respond to the changing needs of the business and regulatory environment related to the analysis of climate and environmental risks and the need to incorporate assessments related to the evolution of these risks and their impacts on the Group’s business model and control framework. Similarly, within the Risk Appetite Framework (RAF), the process of gradually integrating climate and environmental risks was initiated with the provision of initial monitoring indicators, as an expression of the Group’s adaptation process, in line with the Group’s ICAAP/ILAAP Report;
- in 2022, the Group was then involved in two separate exercises: firstly, the Thematic Review on C&E risks aimed at assessing the Group’s overall compliance with the aforementioned ECB Guidelines and then the first regulatory stress test on climate and environmental risks (CST 2022). The stress test was structured around three modules aimed at assessing exposure to climate and environmental risks through:
 - a qualitative questionnaire on the Stress Test Framework on climate and environmental risks covering 11 subject areas;
 - definition of two climate metrics aimed at assessing the Group’s level of exposure and sensitivity to the risk of transition to an economy with a lower environmental impact through the analysis of revenues and exposures related to counterparties belonging to carbon-intensive sectors;
 - bottom-up projections to quantify the economic impacts of climate and environmental risks resulting from the adjustment process towards a more sustainable economy and from extreme weather events in terms of credit, market and operational risk;
- in 2023, with the formalisation of the first materiality analysis of climate and environmental risks and the definition of a new “Strategic and Operational Climate and Environmental Risk Integration Plan” aimed at ensuring a sound, effective and integrated management of climate and environmental risks in terms of operating environment and strategy, governance and risk appetite, and more generally of the risk management system. This Plan consists of 21 initiatives – over the 2023/2025 plan period – divided into five macro areas (materiality assessment, operating context and strategy, governance and risk appetite, risk management system, and credit risk), for each of which the intermediate and final phases and objectives are described;
- in 2024, the Group was involved – at the same time – in two different exercises: on the one hand, feedback to the requirements and recommendations contained in the “ECB Decision relating to the risk identification process for climate-related and environmental risks” (for details, please refer to the specific section on significant events during the year and related chapter “3.5 ECB Decision – Climate-related and environmental risks”), then the one-off “Fit for 55 climate risk scenario analysis” exercise, intended to assess the level of resilience of the financial sector to the package of reforms (“Fit for 55”) presented by the European Commission in 2021 and found in the Green Deal and, in general, the capacity of the same system to support the transition to a low-carbon economy under stress conditions. As for the “Fit for 55” exercise, it is worth noting the opinion of high quality of the data assigned, which, similar to what was found in the previously mentioned climate stress test exercise in 2022 (CST2022), confirms the Group’s position as top performer in the sample group, with a very low number of quality problems compared to the average. Additionally, in the last quarter of the financial year, the Risk Management Department published the first version of the ESG Risk Report, at the consolidated and individual level. This report, created by adapting content prepared to meet the requirements of the Supervisory Authority, focuses on credit, liquidity, market, strategic, operational and real-estate-guarantee risks and is aimed at periodic monitoring of the main climate, environmental and ESG risks.

In the Group Risk Map, C&E risks are defined as “risks arising from climate change and environmental degradation, which give rise to structural changes affecting economic activity and, consequently, the financial system”. C&E risks can be broadly divided into the following two categories:

- Physical risk: i.e. the financial impact of climate change, including more frequent extreme weather events and gradual changes in climate, as well as environmental degradation, i.e. air, water and soil pollution, water stress, loss of biodiversity and deforestation;
- Transition risk: i.e. the financial loss that an institution may directly or indirectly incur as a result of adjusting towards a low-carbon and more environmentally sustainable economy.

Generally speaking, as part of the updating of the Group’s Risk Appetite framework created at the same time as approval of the 2024-2027 Strategic Plan, a series of Climate & Environmental indicators were defined, including alert and tolerance thresholds (“main panel” or “primary” indicators) that complement the secondary (monitoring) thresholds already in place (which if exceeded may, in any case, trigger escalation mechanisms, as provided for by the Group’s RAF Regulation).

6.6 – Corporate governance report and ownership structure – the system of internal controls

The Cassa Centrale Group has created a structured system of internal controls which, on a daily basis and proportionally to the complexity of the activities carried out, involves the entire organisational structure and conforms to the legislation governing the “Internal Control System”, reported in Part One, Title IV, Chapter 3 of Bank of Italy Circular 285/2013 and subsequent updates.

The Cassa Centrale Group attributes strategic importance to the integrated management of controls and related risks as they constitute, among other things:

- an element to ensure that all activities are carried out in accordance with the principles of sound and prudent management and defined strategic guidelines;
- a clear and complete representation for the corporate bodies of the internal control system to monitor risks, the critical elements to which the Group is exposed and the interventions in progress;
- an important element for monitoring compliance with the relevant provisions by the competent authorities, as well as spreading the use of integration parameters.

The Parent Company has adopted a unitary and integrated system of internal controls that allows effective control over both the strategic choices of the Group as a whole and the managerial balance, organisation, technical situation and financial position of the individual Group Companies. This system consists of all the rules, functions, structures, resources, processes and procedures that aim to ensure, in compliance with sound and prudent management, the achievement of the following objectives:

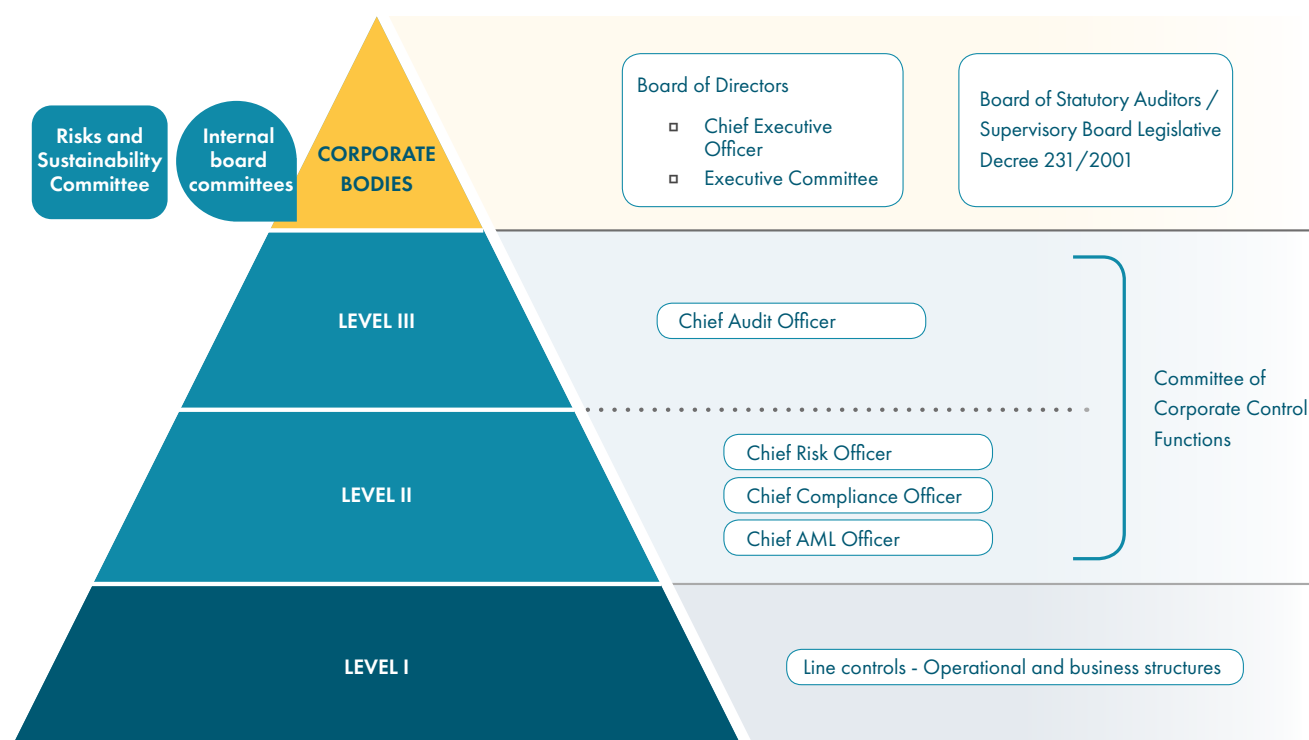
- verification of the implementation of company strategies and policies;
- containment of risks within the limits indicated in the Group’s Risk Appetite Framework (RAF);
- safeguarding the value of assets and protection against losses;
- effectiveness and efficiency of business processes;
- reliability and security of company information and IT procedures;
- prevention of the risk that the Group may be involved, even involuntarily, in illegal activities (with particular reference to those connected with money laundering, usury and terrorist financing);
- compliance of the company’s operations with the law and supervisory regulations, as well as with internal policies, regulations and procedures.

The Group's internal control system includes, in keeping with regulatory and legislative provisions in force, the following types of controls:

- **line controls** ("first-level controls"): controls which are designed to ensure the proper conduct of operations (e.g. hierarchical, systematic and spot checks) and which, as far as possible, are incorporated into computerised procedures. These are carried out by the operational structures themselves, including through units dedicated exclusively to control tasks that report back to the managers of the structures, i.e. performed within the back office. The operational structures are primarily responsible for the risk management process; in the course of day-to-day operations, these structures must identify, measure and assess, monitor and control, mitigate and communicate risks arising from ordinary business operations in accordance with the risk management process. They must comply with their assigned operational limits in line with the risk objectives and the procedures in which the risk management process is structured;
- **controls on risks and compliance** ("second-level controls"): controls designed to ensure, *inter alia*:
 - the proper implementation of the risk management process;
 - compliance with the operational limits assigned to the various Functions;
 - compliance of the company operations with regulations, including self-regulations.

The Functions responsible for these controls are separate from the production functions; they contribute to the definition of risk management policies and the risk management process;

- **internal audit** (so-called "third level controls"): internal audit controls aimed at identifying breaches of procedures and regulations and periodically assessing the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and the information system (ICT audit) at Group level, at predetermined intervals in relation to the nature and intensity of the risks.



The Parent Company's corporate bodies, the Parent Company's Risks and Sustainability Committee, the Committee of Corporate Control Functions, as well as the Corporate Control Functions themselves represent the main players in the internal control system.

Specifically:

- the **Board of Directors**, as a body with strategic supervision functions, it defines and approves the business model, strategic guidelines, risk appetite, tolerance threshold (where identified) and risk management policies, the guidelines of the internal control system, the criteria for identifying the most significant transactions to be submitted to the prior scrutiny of the Risk Management Department and the general terms of the ICAAP/ILAAP process, ensures its consistency with the RAF and the timely adjustment in relation to significant changes to the strategic guidelines, the organisational structure, and the reference operating context;
- the **Risks and Sustainability Committee** is responsible for the tasks assigned to it by the regulations in force from time to time and by the Board of Directors, also with regard to the Affiliated Banks and, in particular, it performs support functions for the Parent Company's Board of Directors with regard to risks and the internal control system, paying particular attention to all activities that are instrumental and necessary for the Parent Company's Board of Directors to arrive at a correct and effective determination of the Risk Appetite Framework (RAF) and risk management policies;
- the **Board of Statutory Auditors**, as the body with control functions, is responsible for overseeing the completeness, adequacy, functionality and reliability of the internal control system and the RAF at Group level, in accordance with the provisions of current legislation, the Cohesion Contract and the Articles of Association of Cassa Centrale Banca;
- the **Supervisory Board pursuant to Legislative Decree 231/2001**, in implementation of the provisions of Legislative Decree 231/2001 and in accordance with the Organisation, Management and Control Model adopted by the Bank, is responsible for supervising the operation of and compliance with 231 Model and informing the Board of Directors of the need to update it;
- the **Executive Committee**, in compliance with the provisions of the Articles of Association, is responsible for implementing the policies on corporate governance and risk management;
- the **Chief Executive Officer** is responsible for executing the Board of Directors' resolutions, with particular reference to implementing the strategic guidelines and risk management policies defined by the Board of Directors;
- the **Committee of Corporate Control Functions**, consisting of the managers of the corporate control Functions, carries out the coordination and integration activities of the Functions overseeing the internal control system.

The Group's corporate control Functions are represented by the following structures:

- Internal audit function (**Internal Audit Department**);
- Risk control function (**Risk Management Department**);
- Compliance function (**Compliance Department**);
- Anti-money laundering function (**Anti-Money Laundering Department**).

Under the Group's organisational model, the tasks and responsibilities of the second-level control function for the management and control of ICT and security risks are assigned to the Compliance Department and the Risk Management Department, to the extent of their competence.

6.6.1 - The model adopted for the Group

The regulatory provisions for Banks in relation to the Cooperative Banking Group issued by the Bank of Italy establish that the corporate control Functions for affiliated Cooperative Credit Banks are carried out under an outsourcing regime by the Parent Company or other companies of the Group.

The Parent Company carries out its tasks in compliance with the following criteria:

- the corporate bodies of the members of the Group are aware of the choices made by the Parent Company and are responsible, each according to their own competencies, for the implementation, within their respective business realities, of the strategies and policies pursued in the field of controls, favouring their integration within the scope of Group controls;

- special internal representatives are appointed within the Companies that have outsourced the Function who: i) perform support tasks for the outsourced control Function and hierarchically to the Bank's Board of Directors; ii) report functionally to the outsourced control Function; iii) promptly report particular events or situations, which may change the risks generated by the subsidiary.

Within the scope of the internal control system, of those companies that have outsourced the corporate control functions, the Boards of Directors perform the activities for which they are responsible in accordance with the provisions of the Articles of Association and the principles laid down in the regulations that the Parent Company (in fulfilment, with regard to the affiliated Banks, of the provisions of the Cohesion Agreement) has issued in this area, taking decisions, in particular on:

- the guidelines of the internal control system;
- setting up corporate control functions;
- the appointment and dismissal, in consultation with the Board of Statutory Auditors, of contact representatives; and
- the approval of the departments' annual work programmes.

For companies that have outsourced corporate control functions, the Board of Statutory Auditors performs its assigned activities in accordance with the provisions of the Articles of Association and the principles laid down in the regulations that the Parent Company (in fulfilment, with regard to the Subsidiary Banks, of the provisions of the Cohesion Agreement) has issued in this area.

The Supervisory Board, pursuant to Legislative Decree 231/2001 has the task of supervising the operation of and compliance with the company's organisation, management and control model and the guidelines on the administrative liability of entities within the Group.

The General Manager of the Companies that have outsourced corporate control functions performs the activities under their responsibility in accordance with the Articles of Association and the principles laid down in the regulations that the Parent Company (in fulfilment, with regard to the Subsidiary Banks, of the provisions of the Cohesion Agreement) has issued in this area; the General Manager, in particular, implements the resolutions of the corporate bodies in accordance with the provisions of the Articles of Association, pursues management goals and supervises the performance of operations and the functioning of the services as per the instructions of the Board of Directors, ensuring that the organisation is managed as a single entity and that the internal control system operates effectively.

The internal representatives of the individual Companies that have outsourced the Control Function support said outsourced corporate function, report functionally to the same and promptly report particular events or situations, which are likely to modify the risks generated by the subsidiary.

The bodies and the General Manager, where appointed, of the companies that have not outsourced corporate control functions perform the same activities as those falling within their remit, in accordance with their respective by-law provisions and the principles laid down in the regulations issued by the parent company in this area. The internal corporate control Functions, where present, in compliance with the rules applicable to them, carry out their activities in line with the principles and provisions issued by the Parent Company.

In order to ensure guidance and coordination, the Parent Company oversees Group Companies through the continuous exchange of flows, information and data in order to carry out management control that is useful for ensuring the balanced maintenance of economic, financial and equity conditions, the level of risk and, more generally, the integrated internal control system at Group level as a whole.

6.6.2 – Main features of the existing internal control and risk management systems in relation to the financial reporting process (Art. 123-bis, paragraph 2, letter B) of the TUF).

This section of the Report on Operations has been prepared pursuant to the regulations under Art. 123-bis of Italian Legislative Decree no. 58 of 24 February 1998 (hereinafter "TUF"), which the Group must observe as an issuer of debt securities (EMTN)

listed on the Irish Stock Exchange. Nevertheless, since Cassa Centrale Banca has not issued shares eligible for trading on regulated markets or in multilateral trading facilities, this disclosure is limited to the provisions of Art. 123-bis, paragraph 2, letter b) of the TUF as a result of the exemption set out by Art. 123-bis, paragraph 5.

The activities and control processes relating to the production of data required to prepare the financial reporting subject to publication (annual consolidated financial statements, condensed half-yearly consolidated financial statements) are an integral part of the Group's general control system used to manage risk.

These operating aspects aim to pursue and guarantee adequate reliability, accuracy and timeliness of financial reporting, with the awareness that no internal control system can rule out entirely risks associated with errors or fraud, but merely assess them and mitigate their probability and related effects.

The control system in question is based on the guidelines described in more detail below:

- the administrative facts reach the accounting system through specific transactions managed by various sub-systems. The line controls are processed within the IT and management procedures for transactions or by Organisational Units established to oversee them. Organisational procedures assign the responsibilities for verifying accounting results to the heads of the Organisational Units. Second-level controls are carried out by the organisational unit in charge of managing general accounting and preparing the annual and half-yearly situations. The controls can be daily, weekly, or monthly depending on the frequency and type of transactions and data processed;
- the most relevant impact assessment components of the accounting situations are implemented by specialised structures or, in specific cases, submitted for evaluation by an independent expert. Data related to the fair value measurement of the financial items and those related to hedging relationships and related efficacy tests are provided by specialised structures, equipped with adequate calculation tools. Data related to the classification and measurement of non-performing loans are provided by separate structures with a high level of specialisation, which perform their own operations on the basis of policies approved by the Board of Directors. With specific reference to this latter aspect, the data are then reviewed by the competent structures identified within the Risk Management Department and the Administration and Tax Reporting Department.

The annual consolidated financial statements and the condensed half-yearly consolidated financial statements are subject respectively to statutory audit and limited audit by Deloitte & Touche S.p.A., which is also responsible for the financial audit pursuant to Art. 14 of Legislative Decree 39/2010.

With reference to the "Transparency Directive", the Parent Company has chosen Ireland as the Member State of origin, since a significant portion of its transferable securities are concentrated in that stock exchange; consequently, Cassa Centrale Banca did not appoint a Financial Reporting Officer pursuant to the TUF, given that the legislation of reference does not require one.

For further details, please refer to the specific information in this chapter and in the previous section 1.3 "Corporate governance".

6.7 - Internal audit function

The Internal Audit Department oversees, according to a risk-based approach, on the one hand, the control of the regular performance of operations and development of risks and, on the other hand, the evaluation of the completeness, adequacy, functionality and reliability of the organisational structure and other components of the internal control system, bringing possible improvements to the attention of corporate bodies, with particular reference to the Risk Appetite Framework (RAF), the risk management process and the instruments for measuring and controlling risks and making recommendations to corporate bodies.

This Function – which is separate from the other corporate control Functions from an organisational point of view – reports directly to the Board of Directors of Cassa Centrale Banca and has specific requirements such as independence, authority and professionalism, which are necessary to ensure effectiveness and efficiency in the performance of its duties. It operates according to principles defined by the Code of Ethics of the Function based on the diligence and professionalism of its employees, in

light of the awareness that an effective preventive activity can only be effectively implemented if all staff are duly made aware of their responsibilities and if a culture based on the value of integrity (honesty, fairness, responsibility) and on a set of values to be recognised and shared at all organisational levels is promoted.

The Internal Audit Department operates, for the Affiliated Banks, under an outsourcing of control functions regime in compliance with the service levels established and formalised in the agreement to outsource the Function and avails itself of the collaboration and support of the internal representatives of the same, who report functionally to the Manager of the Internal Audit Department of the Parent Company and hierarchically to the Bank's Board of Directors. With similar operating procedures, the Internal Audit Department also operates for Group Companies that sign an agreement to outsource the Function.

The main activities of the Internal Audit Department are the following:

- assessing the completeness, adequacy, functionality, reliability of the other components of the ICS, the risk management process and other business processes, also taking into account the ability to identify errors and irregularities. In this context, it reviews, among other things, the second level corporate control Functions (Risk Management, Compliance, Anti-Money Laundering);
- annually submitting a risk-based Audit Plan to the corporate bodies for approval, which reports the planned audit activities and takes into account the risks of the various corporate activities and structures. The Plan contains a specific section relating to the audit of the information system (so-called ICT - Audit);
- assessing the effectiveness of the RAF definition process, the internal consistency of the overall scheme and the compliance of the company's operations with it and, in the case of particularly complex financial structures, their compliance with the strategies approved by the corporate bodies;
- assessing the consistency, adequacy and effectiveness with respect to the governance mechanisms described in the business model and carrying out periodic tests on the functioning of operational and internal control procedures;
- regularly checking the business continuity plan;
- carrying out detection tasks regarding specific irregularities as well;
- carrying out, on request, verifications in particular cases (so-called Special Investigation) for the reconstruction of facts or events considered to be of particular importance;
- coordinates with the other corporate control Functions in order to adopt consistent and integrated risk measurement and assessment methodologies, in order to share priorities for risk-based intervention and providing a common and integrated representation of the areas of greatest risk;
- if, as part of the collaboration and exchange of information with the manager of the statutory audit, it becomes aware of critical issues that have emerged during the statutory audit activity, it shall take steps to ensure that the competent corporate Functions adopt the necessary measures to overcome such critical issues.

In accordance with the reference standards, and in order to fulfil the responsibilities assigned to it, the Internal Audit Department:

- has access to all the central and peripheral activities of Cassa Centrale Banca and the Group Companies and to any information relevant for this purpose, including through direct contact with staff;
- includes personnel (i) who are adequate in number, technical/professional skills and updated; (ii) who are not involved in activities that the Function must control, and (iii) whose remuneration criteria do not compromise their objectivity and help to create a system of incentives in line with the goals of the Function itself.

6.8 - Risk control function

The Risk Management Function, as part of the Group's internal control system, fulfils the responsibilities and tasks envisaged by the Bank of Italy Circular 285/2013 for the risk management function. It provides useful elements to Corporate bodies in the definition of guidelines and policies on risk management and ensures the measurement and control of the Group's exposure

to different types of risk. The Department Manager reports directly to the Corporate Bodies and is accountable to them in the performance of their duties and responsibilities.

The Risk Management Function is also responsible for identifying, measuring and monitoring the risks assumed or assumable, establishing the control activities and ensuring that the anomalies found are brought to the attention of the corporate bodies so that they can be appropriately managed.

The Risk Management Department is also given the responsibilities and tasks of the ICT and security risk control function provided for by Circular 285/2013, in according to the allocation of tasks established in agreement with the Compliance Department.

The Risk Management Department operates Companies that have outsourced the function, under an outsourcing regime, in compliance with the service levels established and formalised in the agreement for outsourcing the Risk Management Function, and avails itself of the cooperation and support of their internal representatives, who report functionally to the Manager of the Risk Management Department of the Parent Company.

Within this scope, the Risk Management Department:

- guarantees the effective and proper implementation of the process of identifying, evaluating, managing and monitoring the risks undertaken, whether current or prospective;
- coordinates the process of defining, updating and managing the Risk Appetite Framework (RAF), within which it has the task of proposing the qualitative and quantitative parameters necessary for the definition of the RAF;
- checks the adequacy of the RAF;
- is responsible for defining the operational limits to the assumption of the various types of risk, as well as for verifying their adequacy on a continuous basis;
- assesses, at least annually, the robustness and effectiveness of the stress tests and the need to update them;
- is responsible for the development, validation, maintenance and updating of risk measurement and control systems, ensuring that they are subject to periodic backtesting, that an appropriate number of scenarios are analysed and that conservative assumptions are used on dependencies and correlations;
- is responsible for the analysis and assessment of the Model Lifecycle Management (MLM) process, ensuring the proper performance of controls of process steps and the supervision of the corresponding flow of reporting;
- defines common metrics for assessing operational risks in line with the RAF and methods for assessing and controlling reputational risks in coordination with the Compliance Department and the relevant Structures;
- assists corporate bodies in assessing strategic risk by monitoring significant variables;
- ensures the consistency of the risk measurement and control systems with the processes and methodologies for assessing company activities, coordinating with the appropriate company structures;
- develops and applies indicators capable of highlighting anomalous and inefficient situations in risk measurement and control systems;
- verifies, on an ongoing basis, the presence of adequate risk management processes;
- analyses and assesses risks deriving from new products and services and from entry into new operating and market segments, including by assuming different risk scenarios and evaluating the bank's ability to ensure effective risk management;
- provides prior opinions on the consistency of MSTs with the RAF, including those that have outsourced the Function, also contributing to defining the parameters for their identification, where appropriate, and obtaining the advice of other Functions involved in the risk management process;
- issues its own prior assessment of the Group's Governance Rules in order to assess their consistency with the overall risk management and control framework it oversees. Exceptions are documents for which the Function, having considered

the nature of the contents and/or the changes, does not see any impact on the framework it oversees. The assessment is issued as described in the internal Group regulations for managing internal regulations and information flows;

- measures and monitors the current and prospective exposure to risks, also at Group level, and its consistency with the risk objectives, as well as the compliance with the operational limits, making sure that the decisions on risk taking taken at the different corporate levels are consistent with the advice provided;
- is responsible for activating monitoring activities on the actions put in place if targets/thresholds/limits are exceeded and for communicating any critical issues until the thresholds/limits return within the established levels;
- carries out second-level checks on credit exposures;
- identifies the corrective actions required to overcome any critical issues detected during the annual programme, communicates such actions to the owner structures and periodically monitors the implementation status and compliance with deadlines of the corrective actions by the owner structures;
- in case of violation of the RAF, including the operational limits, it assesses the causes and the effects on the business situation, also in terms of costs, it informs the business units concerned and the corporate bodies, and proposes corrective measures. It ensures that the body with strategic supervisory function is informed in case of serious violations; the risk control function has an active role in ensuring that the recommended measures are taken by the Functions concerned and brought to the attention of the corporate bodies;
- verifies the proper monitoring of the performance of individual credit exposures;
- verifies the adequacy and effectiveness of the measures adopted to remedy the shortcomings identified in the risk management process;
- contributes to ensuring the consistency of the remuneration and incentive system with the reference framework for determining the Bank's risk appetite (RAF);
- is responsible for assessing the adequacy of internal capital (ICAAP) and liquidity reserves (ILAAP);
- is responsible for preparing the public disclosure - Pillar III;
- is involved in defining the risk governance policies and the phases of the risk management process through the establishment of a system of policies, regulations and documents for the implementation of the risk limits for the Group;
- defines the metrics and methodologies for measuring and monitoring risks and the related guidelines to be adopted at the Group level;
- ensures, through reporting activities, a constant and continuous flow of information to the corporate bodies and other corporate control functions on the exposure to risks and the results of the activities carried out;
- oversees the process of assigning and updating the ratings used to assess the creditworthiness of the counterparties;
- oversees the processing of the classification of the risk-based model and, in agreement with the Planning Department, the activation of the appropriate corrective actions (i.e., Intervention Plan, Combination Plan);
- informs the Chief Executive Officer/General Manager of any exceeding of targets/thresholds/limits relating to the assumption of risks;
- prepares and submits to the Corporate bodies the report on the activities carried out by Management, in accordance with the provisions of the reference regulations;
- coordinates the recovery and resolution management processes;
- contributes to the dissemination of a control culture within the Group.

In the performance of their roles and responsibilities, the Risk Management Department also oversees the integration of risk factors associated with climate-related and environmental aspects in the risk governance process, in line with Supervisory Authority expectations. In particular, it documents this category of risk, specifying its transition channels and impact on the Group's overall risk profile, taking due account of the vulnerabilities of the economic sectors, the Group's operations and the counterparties with which it operates, on the basis of both quantitative and qualitative information. The Risk Management Department therefore

guarantees that this risk category, like other categories, is identified, assessed, measured, monitored, managed and adequately communicated within the Group, including through regular and transparent reporting.

The Risk Management Department, in its role as ICT and security risk control department performs the monitoring and control of these risks, and ensures that ICT operations conform with the ICT risk management system. For this purpose:

- it helps to define the information security policy and is informed about any activity or event that could significantly affect the Group's risk profile, major operational or security incidents, or any substantial changes to the ICT systems and processes;
- is actively involved in the projects creating substantial changes to the information system and, in particular, in the risk control processes related to such projects.

As part of the Integrated Internal Control System, the Risk Management Department coordinates with the other corporate control functions in order to:

- adopt consistent and integrated risk measurement and assessment methods, providing a common and integrated representation of the areas of greatest risk;
- define risk-based intervention priorities;
- develop the sharing of operational and methodological aspects and the actions to be taken in case of significant and/or critical events in order to identify possible synergies and avoid potential overlapping and duplication of activities.

As part of the activities listed above, the Risk Management Department prepares annually a risk-based approach and submits an activity plan to the corporate bodies based on:

- the main risks to which the Group is exposed;
- any shortcomings emerging from the checks carried out;
- any elements identified by the Internal Audit Department, the Compliance Department or any findings reported by the Internal Validation Service;
- the risk objectives defined by the Group;
- any evidence emerged from discussions with the Supervisory Authorities.

6.9 - Compliance function

The Compliance Department of the Parent Company oversees, according to a risk-based approach, the management of the risk of non-compliance — understood as the risk of incurring judicial or administrative sanctions, significant financial losses or reputation damage as a result of violations of mandatory rules (laws or regulations) or self-regulation (e.g. Articles of Association, Cohesion Contract, Code of Ethics) — with regard to all company activity.

In particular, in its role as Parent Company Function, it exercises control over the risks impending on the activities carried out by all the Cassa Centrale Group Companies in order to assess the various risk profiles contributed by these Companies and the overall risks of the Group. This translates to the performance of specific monitoring and verification activities concerning the Cassa Centrale Group as a whole and/or individual Group Companies, which therefore guarantee adequate information flows and timely responses to specific requests and collaboration.

The Compliance Department is separate from the other corporate control Functions from an organisational point of view, it reports directly to the Board of Directors of Cassa Centrale Banca and has specific requirements such as independence, authority and professionalism, which are necessary to ensure effectiveness and efficiency in the performance of its duties.

The Compliance Department operates, for the Affiliated Banks, under an outsourcing regime in compliance with the service levels established and formalised in the Function outsourcing agreement and avails itself of the collaboration and support of the

Internal Representatives of the same (and any operational support structures), who report hierarchically to the Board of Directors of the respective Company and, at the same time, report functionally to the Department Manager. With similar operating procedures, the Compliance Department also operates for the other Companies of the Cassa Centrale Group that sign an agreement to outsource the Function. This Department also carries out any further activities aimed at assessing and reporting the various risk profiles brought to the Group by the Companies and the overall risks of the Group.

For the monitoring of certain regulatory areas for which it is permitted by applicable regulations or for the performance of specific obligations in which the Compliance Department's activities are articulated, the same may make use of specialist control units, remaining in any case responsible for the definition of risk assessment methodologies. In particular, the role of specialist control units is attributed to the Tax Service and the Workplace Prevention and Protection Office, for the respective regulations indirectly supervised by the Function.

In particular, the Compliance Department:

- continuously identifies the applicable rules and assesses their impact on corporate processes and procedures;
- collaborates with the corporate structures for the definition of methodologies for the assessment of compliance risks;
- identifies suitable procedures and/or organisational changes for the prevention of the detected risk, with the possibility of requesting their adoption;
- verifies the adequacy and correct application of the procedures for the prevention of the detected risk;
- ensures ongoing and continuous monitoring of the adequacy and effectiveness of the measures, policies and procedures relating to investment services and activities;
- prepares information flows directed to the Corporate Bodies and structures involved (e.g.: operating risk management and internal audit);
- verifies the effectiveness of the organisational adjustments (structures, processes, procedures, including operational and commercial) suggested for the prevention of compliance risk;
- is involved in the ex-ante assessment of the compliance with applicable regulations of all innovative projects that the Company intends to undertake as well as in the prevention and management of conflicts of interest between the different activities carried out by the company and also with regard to employees and company representatives;
- provides advice and assistance to Corporate Bodies in all matters in which compliance risk is significant;
- collaborates in the training of staff on the provisions applicable to the activities carried out;
- coordinates with the other corporate control functions in order to adopt consistent and integrated risk measurement and assessment methodologies and sharing priorities for risk-based intervention and providing a common and integrated representation of the areas of greatest risk;
- provides, for the aspects within its competence, its contribution to the Risk Management Department in the assessment of risks, in particular those that cannot be quantified, as part of the process of determining capital adequacy;
- collaborates with the Risk Management Department, in line with the Risk Appetite Framework (RAF), to develop appropriate methodologies for the assessment of operational and reputational risks arising from any areas of non-compliance, also ensuring the reciprocal exchange of information flows suitable for an adequate oversight of the areas of competence;
- spreads a corporate culture based on the principles of honesty, fairness and respect for the spirit and letter of the rules.

For the parent Company and its Affiliated Banks, in the context of managing and supervising ICT and security risks, the Compliance Department:

- helps define the information security policy by assessing its compliance with the relevant regulations;
- is informed, to the extent of its competence, about any activity or event that could materially affect the Group's risk profile, significant operational or security incidents, or any substantial changes to the ICT systems and processes;

- is actively involved, to the extent of its competence, in projects creating substantial changes to the information system and, in particular, in the risk control processes related to such projects.

The Compliance Department of the Parent Company coordinates the maintenance and updating of the 231 Model of Cassa Centrale Banca and the performance of the activities dependent on it, including the submission of a periodic report with the Supervisory Board, and also provides technical/operational support to the Group Companies and their 231 Representatives as identified pursuant to the Guidelines on the Administrative Responsibility of Entities within the Group, without prejudice to the responsibility of each Company for the ongoing updating of their respective Models.

6.10 Anti-money laundering function

The Anti-Money Laundering Department adopts a risk-based approach in overseeing the management of the risks of money laundering and terrorist financing with regard to the company's activities by evaluating the adequacy of internal procedures intended to prevent the violation of applicable external standards (laws and regulations) and self-regulation (e.g. Articles of Association and Codes of Ethics).

The Anti-Money Laundering Department operates in accordance with the responsibilities assigned to it as a second-level corporate control Function of the Parent Company and fulfils the contractual obligations arising from its role as supplier to the Affiliated Banks and the user companies.

The Anti-Money Laundering Department operates, for the Affiliated Banks and the user companies, under an outsourcing regime in compliance with the service levels established and formalised in the agreement to outsource the Function, and avails itself of the collaboration and support of internal representatives, who, operating in close functional coordination with the Anti-Money Laundering Department, supervise the processes related to anti-money laundering legislation in the Affiliated Bank/User Company.

The Anti-Money Laundering Department of the Parent Company formulates and prepares specific directives and instructions to which the Anti-Money Laundering representatives must adapt their operations, in order to ensure the operational consistency of the Group in relation to the management and measurement of the risks of money laundering and terrorist financing.

In the event that a Group Company is the recipient of anti-money laundering obligations and has not outsourced the Function to the Parent Company, specific information flows are transmitted to the Anti-Money Laundering Department of the Parent Company by the same companies (the Annual Anti-Money Laundering Report, the annual planning of activities, any significant critical issues identified by the execution of anti-money laundering activities).

The Anti-Money Laundering Department has the objective of:

- contributing to the definition of strategic guidelines and policies for the overall governance of risks related to money laundering and terrorist financing, the preparation of communications and periodic reports to corporate bodies and the feeding of the Risk Appetite Framework, collaborating with other corporate control Functions in order to achieve an effective integration of the risk management process;
- developing a global approach to risk based on the strategic decisions taken by the Parent Company, defining the Group's methodology for assessing the risks of money laundering and terrorist financing, the procedures for coordinating and sharing information between Group Companies and general standards for the adequate verification of customers, the retention of documentation and information and the identification and reporting of suspicious transactions;
- ensuring adequate Group supervision, continuously verifying the suitability, functionality and reliability of the anti-money laundering arrangements, the procedures and processes adopted within the Group and their degree of adequacy and compliance with the law;
- playing a management and coordination role in relation to Group Companies, promoting and spreading the culture of prevention of the risk of money laundering and terrorist financing.

The Anti-Money Laundering Department oversees and coordinates the management of money laundering and terrorist financing risks, through the execution of a series of activities that may be related to the following types of processes:

- main processes, i.e. the set of activities aimed at the correct fulfilment of the obligations of proper customer due diligence, data and information retention and reporting of suspicious transactions;
- cross-cutting processes, i.e. the set of activities functional to mitigate and contrast the risk of money laundering.

In the performance of its duties, the Anti-Money Laundering Department has access, in the manner deemed most appropriate, to all activities and to all central and peripheral structures of the Group, as well as to any information that it deems relevant for the performance of its duties and is equipped with tools that are useful for carrying out the controls for which it is responsible.

As part of the integrated internal control system, the Anti-Money Laundering Department contributes in its areas of responsibility to:

- the definition of a common risk taxonomy for analysis and evaluation activities;
- the constant exchange of information;
- the establishment of uniform risk measurement and reporting methods;
- the management of any misalignments in the level of risk assessments that have emerged during the planning of activities;
- the examination of the findings that have emerged and the related corrective actions proposed, examining any conflicting assessments in order to reach a single and satisfactory solution for all the corporate control Functions that have highlighted the same significance.

7. Human Resources

The total workforce of the Cassa Centrale Group as at 31 December 2024 stood at 12,284 employees, compared to 12,016 as at 31 December 2023.

7.1.1 - Staff composition by category and gender

NUMBER OF EMPLOYEES BY CATEGORY AND GENDER	31/12/2024			31/12/2023	Change	% change
	Men	Women	Total	Total		
Executives	172	21	193	193	-	0%
Middle managers	2,601	977	3,578	3,370	208	6.2%
Office staff	4,109	4,404	8,513	8,453	60	0.7%
TOTAL	6,882	5,402	12,284	12,016	268	2.2%

7.1.2 - Staff composition by age group

NUMBER OF EMPLOYEES BY CATEGORY AND AGE GROUP	31/12/2024				31/12/2023	Change	% change
	<30	30-50	>50	Total	Total		
Executives	45	148		193	193	-	0%
Middle managers	1	1,681	1,896	3,578	3,370	208	6.2%
Office staff	1,195	5,110	2,208	8,513	8,453	60	0.7%
TOTAL	1,196	6,836	4,252	12,284	12,016	268	2.2%

The average age of the Group's personnel is in the 30-50 bracket with about 56% of employees in that bracket.

The long-term strategy of the Group is always oriented towards the value of its human resources, with a primary commitment in promoting the continuous development of individual and Group capabilities and skills.

In line with Group principles, the Human Resources Department undertakes to promote a fair working environment that encourages a proactive approach and adaptability to change. It strives to support company growth through a careful selection of candidates and professional growth through targeted training and development courses. Furthermore, it spreads a culture that incentivises active participation in projects, while providing instruments and methods for the emergence of innovative ideas, making a significant contribution to the success of the organisation.

7.2 - Corporate culture and brand identity

In 2024, committed efforts continued on promoting a corporate culture capable of enhancing the unique characteristics of the Cassa Centrale Group, paying particular attention to the dynamics that affect the people who live within our organisations. The added value of the integrated use of innovative technological systems to enable and facilitate interaction between people is confirmed. As a result, webinars, live debates, and sharing of best practices in expert communities were conducted, enabling

professionals from the Parent Company and Representatives of the Affiliated Banks to engage with each other on a daily basis, in order to understand the needs of the Banks and incorporate them into the strategies of the Parent Company.

The online communities tool is increasingly being used by the various Services of the Parent Company to engage with those operating at the Banks who deal with certain issues. The communities are above all spaces for discussion and growth, but also represent smart and efficient tools for conveying practices and behaviours that support the sharing of Group-wide policies and regulations.

Well-being at the company remains a pillar in the strategy to build the Group's corporate culture, which is why the psychological well-being awareness project continued in the second half of 2024.

The psychological well-being project, supported by a network of specialised professionals partnering in these initiatives, continues to be highly appreciated and widely used, including for personal growth plans thanks to the commitment of expert coaches.

In 2024, the Cassa Centrale Group again continues to promote the "Manifesto for psychological well-being at work", created by the Mental Well-being Council of which the Group is a member. The Manifesto seeks to shape the future of the human dimension at work. It promotes an organisational culture inclusive of mental health through alignment of values, sharing of intentions and tangible and widespread commitment among the signatory companies. In tandem, it strives to be an opportunity for exchange and mutual growth, offering indications and best practices that are useful for achieving the goal of complete psychological well-being.

Activities for the entire Group to raise awareness and improve understanding of ESG issues also continue. Workshops, seminars, and communities of practice for experts aim to involve bank and company employees at various levels to encourage them to take responsibility for Environmental, Social and Governance impacts.

In relation to Diversity, Equity and Inclusion topics, the HR Department has worked hard to allow the Parent Company to achieve Gender Equality Certification – UNI PdR 125:2022 in January 2024. After this important milestone, during 2024 initiatives were promoted at Group level to support the Affiliated Banks interested in the certification process.

The second half of 2024 saw the Group further increase its focus on gender equality. In fact, certain BCC banks requested activation of the certification procedure, while others are working to evaluate this in 2025.

Various essential training initiatives were defined, planned and provided to combat gender inequality and unconscious bias, promoting an inclusive and merit-based organisational culture. Investment in this training aims to build greater awareness and improve decision-making processes, with tangible benefits for individual and collective performance and for the corporate image.

In November 2024, Cassa Centrale Banca and Allitude also ran the "Femminile Plurale", initiative, presenting theatre performances reflecting on gender equality. These performances were open to the public, with the aim of raising awareness across the local area of the importance of recognising and understanding gender stereotypes and bias.

7.3 – Selection and development

In an increasingly competitive and complex labour market, the Cassa Centrale Group considers personnel search and recruitment a key factor in supporting continuous growth and building an organisation capable of responding promptly to new challenges.

This process integrates Employer Branding initiatives with efforts to attract skilled and high-potential personnel and actions aimed at reinforcing personnel loyalty and re-engagement, effectively meeting the current needs of the Group and anticipating future challenges and complexity.

On this basis, from 2023, and continuing in 2024, a review of the organisational structure was launched, previously dedicated exclusively to the selection of personnel, to reinforce the connection between the Recruiting process and Personnel Management. The aim is to optimise management of the entire life cycle of company personnel, generating greater value for the Group.

A review was launched of Employer Branding processes, with the aim of strengthening partnerships with universities. Alongside this, an onboarding programme was introduced designed to provide new colleagues with the tools needed to better understand the corporate context and internal procedures and processes. Having completed this phase, one-to-one meetings were planned aimed at gathering experiences and feedback from the initial six months with the Group.

Recruiting activity continues to be conducted with the support of the SAP SuccessFactors platform, LinkedIn Recruiter and, where necessary, head-hunting agencies.

All of these initiatives maintain a common focus on respect for diversity and the promotion of inclusivity, demonstrated, for example, by a commitment to hiring and supporting individuals from protected categories, and recognition and promotion of gender, age and ethnic diversity as a strength of the organisation.

7.4 - Partnerships to innovate and compete

The well-established partnership with SDA Bocconi School of Management also continued in 2024 for most of the finance and core banking courses. In particular, for the long-term training of the Group's top management, with the "Executives in Banking Management" course and the new "Wealth Management" experience.

The valuable and mutual collaboration with ABIFormazione continues, enhanced by important and complex projects for strategic ESG training for the Group and new professional courses on Anti-Money Laundering.

The partnership with CeTif, the Research Centre for Technology, Innovation and Financial Services of the Sacred Heart Catholic University, continues to bring expertise to the Group's Banking Care Academy, particularly in digital banking, digital HR, digital compliance and cyber security.

With regard to the drive to promote an organisational culture oriented towards respect for diversity, we relied on the partnership with Valore D, a long-standing association of Italian companies that works to promote gender balance and an inclusive culture in organisations and in our country. Together with Valore D, we created several training schemes for top management and Group employees alike, also to support the commitments set out for UNI PdR 125:2022 Gender Equality Certification, achieved by the Parent Company in January 2024.

In the area of corporate well-being, we maintained our partnerships with corporate wellness company Eukinetica, and Mindwork, which specialises in psychological well-being and the promotion of inclusive, person-centred environments.

With the aim of attracting new generations and helping them to understand the unique and distinctive features of the Group, relations with the University of Trento and with JobGuidance were ramped up in 2024. The constant commitment to attracting young new talent was implemented through the organisation of two fundamental events for the creation of a significant and innovative network: Career Fair and Open Day.

In the second half of 2024, a strategic partnership was consolidated with POLIMI GSOM. This collaboration represents a crucial opportunity for the Group, enabling access to observatories, research projects and high-level advisory services, essential sources of learning excellence that facilitate quality growth.

The partnership also offers privileged access to advanced expertise in the field of digital transformation, providing a detailed perspective of emerging issues and trends. The School of Management Faculty of the Politecnico di Milano University adds further value. In recent years, it has introduced significant innovations to products, teaching methods and approaches to the provision of services.

Through a process of constant learning, the Faculty has established specific expertise including advanced teaching capability in the digital and hybrid fields, growing international exposure and continuous investment in research. This approach effectively balances research with teaching activity, ensuring cutting-edge materials and learning of the highest quality.

7.5 - Developing human capital: training and skills development in the Group

The Group's Banking Care Academy is responsible for the design, promotion and implementation of training courses for the Cassa Centrale Group, with training programmes reaching all employees through the SAP SuccessFactors LMS Learning Management System platform.

The new version of the Banking Care Academy 2024 Training Programme was launched on 4 March, once again on the SAP SuccessFactors platform, but this time with a new look.

Five years after the Group was established, it was decided to provide an opportunity to present and discuss the 2024 training offer. Six sessions were organised in various territories: Cuneo, Bologna, Trento, Padua, Bari, Rome to meet with the Training Representatives of the cooperative credit banks (BCC).

2024 also saw the launch of "HR BUSINESS LEADERS. Guiding organisational changes and entrenching them in business strategy", an advanced programme created in partnership with POLIMI – Graduate School of Management, with the aim of integrating banking skills and the world of HR.

The following established courses also continued: "Executive in Banking Management" with SDA Bocconi aimed at Group Top Management and "Cassa Centrale Group Middle Managers: Leadership and Team Management", aimed at strengthening skills of personnel in these roles.

A new project was introduced called "NEW CAMERA. New outlooks for new skills" programme created in partnership with Talent Garden, the largest European operator of Digital Education, and the largest community in Europe of tech ecosystem innovators.

For inter-company training on Credit, in 2024, in addition to the ongoing collaborations with several companies already present in previous years, new training proposals were added with new collaborations, such as the development of the PEF project, with training for Buddy Trainers and the first webinars to prepare for the upcoming releases to the BCC.

The high level of attention to the ESG topic was guaranteed during the year, when, thanks to the collaboration with ABI Formazione and in close collaboration with the External Relations and Sustainability Service, the following courses were held:

- "ESG in Action Masterclass";
- "New ESG Representatives".

Both of these activities were designed to meet the need to provide knowledge and expertise to oversee the integration of ESG factors and engage expertly in relations, including in relation to requests from the ECB.

In close collaboration with the AML Function, AML initiatives were launched, planned for 2024 in line with the provisions of the training plan.

In addition to the various multi-company training proposals, several in-house courses were activated, in some cases also managing the Fon.Coop. funding.

During 2024, biweekly meetings with the Corporate Representatives continued, with seminars envisaged by their dedicated training plan and designed for their ongoing development.

The “CCB in Training – Learning Programme” also continued. This project involves topic-specific seminars and courses for managers at Cassa Centrale.

Particular attention was paid to DE&I (Diversity, Equity and Inclusion) issues, with both online and webinar formats. Courses included transversal activities relevant to all personnel, as well more specific option for roles of responsibility.

The issue of inclusiveness and gender equity is particularly felt; activities have been proposed to support and enrich female leadership in the Group environment and to raise senior figures’ awareness of discriminatory behaviour and cognitive bias.

In 2024, “Pathway for Development of Female Leadership” was also run. This training proposal is one of the many initiatives introduced by Cassa Centrale Banca to improve the gender gap and promote inclusive work environments.

The Group’s e-learning proposals are composed of multimedia content, systems for monitoring and controlling users while they take online certification examinations to verify skills in vocational courses (proctoring model), interaction, and the use of elements borrowed from games and supported by game design techniques in learning contexts (gamification). The programme evolves throughout the year and adapts to regulatory updates and the Regulations and Policies issued by the Parent Company, also based on the input provided by the Parent Company’s Departments and Affiliated Banks and the countless national and international hubs and communities in which the Cassa Centrale Group regularly participates.

In the second half of 2024, various training initiatives were run aimed at strengthening skills, nurturing innovation and improving colleague performance.

Thanks to the success of the first two editions, the third edition of the training course “MM - Cassa Centrale Group Middle Managers: Leadership and Team Management” was launched. This provided the opportunity to develop the necessary strategic and management skills required to face current and future challenges, cementing the central role of Middle Managers as a point of reference in leadership and effective management of teams within the Banks and the Group.

The first edition of the advanced Wealth Management course in collaboration with SDA Bocconi also got under way. This course provided essential tools and skills to effectively interact with companies, particularly family businesses.

The “Fit4Future: building the future of the Group” training programme was also inaugurated, aimed at future managers of the Group. Learning activity for this course will continue in 2025 and will be provided in collaboration with the Politecnico di Milano University.

High-level training courses included a revised edition of the Bocconi Executive Banking course involving concrete case studies and training from several Departments of the Parent Company on a range of specific topics.

For intercompany training in the field of Loans, following on from what was provided in the first quarter (“Basic” and “Intermediate” courses), three “Advanced” courses were organised, focused on financial-report analysis, financial planning and investigation of case studies. ESG-Loans courses on “Sustainable development and new regulatory scenarios” were repeated.

In the bancassurance sphere, too, various training initiatives were launched. A series of sessions were organised to support the professional development of colleagues and update the knowledge of personnel in the insurance sector with regard to new regulations, tools and best practices.

In the finance area, during the second half, ESMA training courses began on investments and basic finance, offered to Banks with high or growing numbers of requests.

October saw conclusion of the “Financial and Insurance Advice - Advanced Executive Programme” course, involving 17 days on area-specific topics and a final exam passed by all participants.

With the aim of strengthening training in the ESG area, the second edition of the “ESG in Action Masterclass” was launched in collaboration with ABI, supporting ESG Expert in overcoming the challenges of the Strategic Plan.

Once again this year, training commitments were completed related to the events organised by individual Departments (e.g. Roadshows and meeting days, etc.). Following on from the previous half, internal activity continues regarding technical and managerial training for colleagues of Cassa Centrale Banca.

There is also a constant commitment to training of corporate representatives and the Board of Cassa Centrale Banca, focused on introducing key issues, above all to raise awareness and prompt reflection regarding expertise for defining future strategy.

7.6 – Certification of gender equality

In relation to Diversity, Equity and Inclusion topics, work has been done to enable the Parent Company to gain Gender Equality Certification – UNI PdR 125:2022 in January 2024. After this important milestone, during 2024 initiatives were promoted at Group level to support the Affiliated Banks interested in the certification process. The guided Certification process has three phases:

- planning, creation and implementation of a gender-equality management system in accordance with UNI/PdR 125:2022;
- preparatory activity for certification;
- assistance during auditing by the Certification Body.

Considering that the Reference Practices of UNI/PdR 125:2022 require precise measurement of key performance indicators for organisations and formalisation of gender-equality policies, planning, implementation, monitoring and management in line with a specific systematic methodology, the process is structured according to the methods indicated below.

- Development of the system: the process includes the identification and preparation of KPIs, definition and appointment of the Steering Committee, assignment of roles and responsibilities and drafting of the Management System Manual. This document defines the scope of application, internal and external communication methods, goals and review of Management, in addition to gender-equality policies. Activities include the implementation of the strategic plan, the creation of the necessary procedures, the definition of communication and awareness-raising documents, the preparation of a specific training plan for gender equality and the preparation and implementation of an internal survey, with questionnaires and detailed analysis;
- Preparatory activity for certification: performance of internal audits in compliance with PdR 125, analysis and resolution of any critical issues identified during audits, support for review and assistance in the management of relations with the Certification Body;
- Certification Assistance, Assistance during audits and Management of subsequent actions (surveys);
- Project planning, coordination and control.

UNI PdR 125:2022 Gender Equality Certification with the Certifying Body Bureau Veritas, and the establishment of a Steering Committee and approval of specific policies on diversity, equity and inclusion topics, including the Policy in support of active parenthood and the Diversity and inclusion policy, demonstrate the high level of attention paid to gender equality (and beyond), with a sincere focus on all aspects demanding ever greater awareness to guarantee diversity and inclusion.

This certification is a recognition of a strong commitment and an initial indicator of important work to guarantee that inclusivity and support for diversity remain key pillars of the Group's culture.

In the second half of the year, various courses were introduced in this regard, including "Women's Empowerment: promoting female leadership" aimed at Affiliated Banks, and an edition dedicated to Cassa Centrale Banca. In addition, careful work was carried out regarding Unconscious Bias, with courses for HR Recruiters and line managers of CCB and BCC banks, with an edition reserved specifically for Allitude. All of these initiatives were aimed at supporting and promoting the development of female leadership, promoting greater awareness on correct behaviour in this regard.

7.7 - Remuneration policies

On 07 June 2024, the Ordinary Shareholders' Meeting of the Parent Company - on the proposal of the Board of Directors - approved the Group's 2024 remuneration and incentive policies for all personnel, including the most important personnel, as well as for members of corporate bodies.

With regard to Group Companies within "scope", the Remuneration and Incentive Policies (hereinafter also referred to as the "Policies") approved by the respective Shareholders' Meetings were adopted by formal resolution of the respective Shareholders' Meetings for the Affiliated Banks and by competent bodies for the other Companies.

In particular, the Policies have been defined on the basis of the 37th update of 24 November 2021 of the Bank of Italy Regulatory Provisions on "Remuneration and Incentive Policies and Practices" and Commission Delegated Regulation (EU) no.923/2021 of 25 March 2021, with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out qualitative and quantitative criteria able to identify staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of the CRD. The Guidelines on Sound Remuneration Policies under Directive 2013/36/EU, issued by the EBA on 2 July 2021, were also considered.

The Policies also comply with the Provisions on "Transparency of banking and financial transactions and services"; appropriateness of relations between intermediaries and customers, updated by the Bank of Italy on 19 March 2019, align national provisions with the Guidelines on remuneration policies and practices relating to the sale and supply of retail banking products and services issued by EBA in December 2016.

Furthermore, the Policies include information on their consistency with the integration of sustainability risks, in compliance with the provisions of Article 5 - Transparency of remuneration policies in relation to the integration of sustainability risks of Regulation (EU) no. 2019/2088.

The Policies describe in an organic manner: the principles on which the Cassa Centrale Group's remuneration and incentive system is based; the roles, timing and activities that define the governance of the process of drafting, reviewing and adopting Group remuneration and incentive policies; the remuneration and incentive system to be adopted in 2024 by the Group for all employees, including the most important personnel, as well as for the members of corporate bodies.

The aim is to implement remuneration systems consistent with the Group's values and the shared aims of the Affiliated Banks to support the interest of all stakeholders. The remuneration policies support the Group's long-term strategy and the achievement of its corporate objectives, including sustainable finance, taking ESG factors into account. They are defined in accordance with the Group's prudent risk management policies, including strategies for monitoring and managing impaired loans, as defined under the current provisions on the prudential control process.

For further information and a detailed description of the policies in place, please refer to the document "2024 remuneration policies" available on the Cassa Centrale Banca website at the address www.cassacentrale.it, in the Governance section.

7.8 - Welfare and Trade Union Relations

The first half of 2024 saw the Welfare, Trade Union Relations and Labour Regulations Service working to define the National Labour Agreement, to negotiate with the Group Delegation on the CPV and the procedures pursuant to art. 22 of the CCNL.

At Group level, on 10 June 2024, during the meeting of the Group's Trade Union Committee, two agreements were submitted for signature by the Group's Trade Unions:

- an agreement with which the parties acknowledge the correct amount of the calculations of the CPV paid in 2024;
- an agreement confirming the agreed methods for calculating the CPV, applied on a trial basis for the year 2023/24, in the agreement dated 1 June 2023 and, at the same time, to merge the North East with Trentino-Alto Adige, starting from the CPV to be paid in 2025 using the 2024 budgets. The bundling in question has become necessary because, following recent mergers, the number of Banks present in the North East has fallen below the minimum limit of 10 Banks approved by the CCNL for the North East to continue to be defined as an area in its own right.

Regarding Group trade-union negotiations pursuant to Article 22 of the CCNL agreement, in the first half of 2024 activity was focused on discussions regarding the two business combinations between Affiliated Banks in 2024, as described in paragraph 3.1 "Business combinations between Affiliated Banks".

Furthermore, regarding the merger in 2023 that led to the creation of Banca 360 Credito Cooperativo Friuli-Venezia Giulia, negotiations continued supplementing agreements defined on 4 April 2024, expanding the number of beneficiaries of the extraordinary allowance of the Solidarity Fund.

The second half of 2024 saw the Service working on definition of the National Labour Agreement, on discussions with the Group delegation on the development of personnel, on passage of Assicura to CCNL Federcasse, on negotiations regarding required availability at Allitude, on further implementation of the Group welfare measures with the Banks and on the procedures pursuant to Article 22 of the CCNL for personnel access to the Redundancy Fund.

Discussions were also conducted with the trade-union representatives of Cassa Centrale Banca and Allitude S.p.A. on various issues, including signing of two agreements on flexibility of working hours and video surveillance and logistical security systems.

Throughout 2024, employment law support continued to be provided to the Banks, both with regard to specific activities and more generally to the drafting of opinions, preparation of contracts, out-of-court assistance, operational support, interpretative advice on labour law and assistance in relations with their company Trade Union Representatives.

8. Other information on operations

8.1 - Consolidation and development of Corporate Identity activities

2024 began with two important anniversaries: 5 years ago, on 1 January, the first Italian Cooperative Banking Group was founded, and on 28 February Cassa Centrale Banca celebrated its 50th anniversary.

To strengthen anniversary branding, two different commemorative logos were created: one for the 50th anniversary of Cassa Centrale Banca and one for the fifth anniversary of the Group. All communication materials were updated with these logos, ensuring visual uniformity across all platforms and channels, both internal and external. With the aim of sharing this path of growth, a busy four-day schedule of free events was organised, open to all citizens, from 26 to 29 September. Events include a musical, talks, concert, performances for children, videomapping on the Duomo of Trento, collaborations with children's scientific educators and a charity run. A creative concept was developed for the occasion, which transformed the city of Trento, where the business started out in 1974, into a festival of colour and institutional symbols. Another key element was the creation of a dedicated webpage on the Group website, which served as the central hub for all communications about the anniversary. This page, packed with information and updates on events, was accompanied by a promotional campaign and geo-localised call to action with a blend of different media. In addition to quickly selling out performances, this campaign helped to strengthen the Group's regional presence and its connection with the area.

Over the four days of events, two important institutional meetings took place: the convention for Chairpersons and Directors of the Banks and Group Companies and the meeting "People First" dedicated to colleagues of the Group. All 12,000 employees of the Cassa Centrale Group received a gift that became the symbol of the event: a Rubik's Cube, which celebrated its own 50th birthday in 2024. The Rubik's Cube, customised with the institutional colours, was chosen to symbolise the many different faces represented by the Group, which together form a single entity, whose value lies in the unique nature of each individual part.

The second flight of the Cassa Centrale Group's multichannel communication campaign was launched on 5 May 2024. The 4-week campaign took place along two complementary and synergistic lines: a national component via TV, social media and digital channels and articles in national press, and a local part focused on the most deeply rooted media in the region, with advertisements in regional press and strategic billposting in key areas. The national part saw us featured in the Group advertisement that characterised the first flight and with the "Bookshop" advertisement. On the other hand, the local part, at regional level, used the institutional layout enriched with a series of key elements. The third flight was also launched on 31 October 2024, presenting our communication nationally for a further four weeks. Here too, media including TV, social and digital channels and national press were utilised, along with a return to radio. The main elements included a new version of the popular advert used in previous flights, in addition to new key visual with a "School" subject, aligned with the goal of engaging with a younger target audience.

Both flights successfully targeted the consolidation of brand awareness, underlining our unique way of doing banking. The slogan "Founded on common good" highlights an increasingly distinctive positioning of the business, aligned with our cooperative nature.

In continuity with previous years, work continued on the MyCMS (Content Management System), the shared multi-site platform that allows individual banks to configure and customise their websites in just a few simple and efficient steps. In May, a specific meeting was organised with the Group Banks to outline the developments and improvements envisaged for the following months and suggestions were collected through a customer satisfaction survey conducted on the Banks. The upgrade to Umbraco 13 took place over the summer. This is a higher performance and more secure version of the open-source management software of

MyCMS. Throughout 2024, in order to facilitate the use of MyCMS by Banks and their approach to digital communication, a series of video tutorials and bitesize training content was released and made available to administrators of websites directly on the dashboard for management of their website. As of 31 December 2024, 63 Affiliated Banks had joined the project.

At the end of the year, an important project was also released in collaboration with the Credit Department: the ESG Portal (www.portalesg.cassacentrale.it). This tool enables Cassa Centrale Group to support customers in the challenge of green transition with a series of targeted services and solutions. The content available on the Portal explores topics of the green transition and opportunities of the Industry 5.0 Plan, as well as illustrating products and services offered to customers by Cassa Centrale Group to support them in the transition to a greener and more sustainable economy.

Following the performance analysis of the corporate website www.cassacentrale.it and the demographic and behavioural analysis of the public aimed at assessing its positioning and visibility, constant monitoring activities continued with a view to strengthening the positioning of the brand in the search engine results pages and sharing information aimed at raising awareness on specific corporate topics.

In terms of the Accessibility of Digital Channels¹³, the Marketing Service, supported by the dedicated Working Group, followed up on the activities already started in 2023 on the managed sites:

- MyCMS: as required by legislation and following the new graphic release, in the first half of the year the activities to correct errors and edit the code with the aim of improving the accessibility of the sites hosted on MyCMS were completed. The MyCMS infrastructure is now accessible according to WCAG standards. The activities to adjust the content inserted autonomously by the Affiliated Banks also continued, with a personalised assessment and remediation service;
- Group institutional website: the review of this site was also completed, in order to make each section of it accessible and achieve an "AA" level according to the WCAG standard. The Accessibility Statement was then updated.

In line with previous years, materials were created in relation to the Annual Financial Report 2023 and the Consolidated Non-Financial Statement 2023. Starting this year, with a view to greater Social Responsibility, the financial statement document will no longer be printed. Instead, a full digital report with a wealth of content has been created and can be viewed on the Corporate website. The heart of the digital reporting is a hub page summarising the key information of the two documents. From here, it is possible to explore specific topics using the pages dedicated to the Financial Report and the Non-Financial Statement. Each one has a wealth of content allowing for more engaging and immediate consultation. They enhance the connection between the two documents, highlighting the importance of a global approach to business performance, all while making the results accessible to everyone, including a non-specialised audience, thanks to clear language, graphic layout and icons.

Financial year 2024 also witnessed the launch of an important project forming part of the journey to strengthen the identity and recognisability of the Group in the market: the restyling of NEAM and the NEF Fund. The main goal of the rebranding was to create a coherent identity for NEAM and NEF that was both recognisable and stood out from its competitors, while remaining in line with the corporate identity of the Cassa Centrale Group. For this year, in 2023 and in the first half of 2024, the following activities were carried out:

- a single graphic mood was identified, aiming for an innovative and distinctive style that characterises the company NEAM and the NEF sub-funds and services, making them immediately recognisable on the market;
- new logos, the institutional visual and the visuals for each sub-fund/service were designed to convey their key values, such as ethics, sustainability, responsibility and professionalism;
- the strong link with the Cassa Centrale Group was highlighted through adopting the shapes and colour schemes of the brand identity;
- communication was standardised across various media, including the Group's institutional website.

¹³ Accessibility is understood as the ability of information systems to deliver services and provide information that is usable and non-discriminatory, including for people who require assistive technologies or special configurations due to disabilities.

In the face of growing online fraud, to which our customers are ever more frequently exposed, a decision was made, following a proposal by ABILab, to participate in development of the third communication campaign regarding IT security run by CERTFin (CERT Finanziario Italiano). The campaign goals are to increase attention on cybersecurity and promote correct use of new technologies and digital channels, maintaining high levels of customer trust in remote channels. The campaign was launched on 7 October 2024 and ran until November across various media: digital and social channels for the active audience, and video and audio channels to reach a wider audience and guarantee visibility.

8.2 - Relations with related parties

Details of transactions with related parties are provided in Part H of the Explanatory Notes, to which reference should be made.

8.3 - Information on going concern, financial risks, impairment testing of assets and uncertainties in the use of estimates

With reference to the Bank of Italy, CONSOB and ISVAP documents no. 2 of 6 February 2009 and no. 4 of 3 March 2010, concerning the information to be provided in the financial reports on the business outlook, with particular reference to business continuity, financial risks, impairment testing and uncertainties in the use of estimates, the Board of Directors confirms that it has a reasonable expectation that the Group can continue to operate in the foreseeable future and therefore certifies that the consolidated financial statements as at 31 December 2024 have been prepared on a going concern basis.

There are no elements or warnings in the Group's equity and financial structure and operating performance that could lead to uncertainties as to its ability to continue as a going concern.

For information on financial risks, impairment testing of assets and uncertainties in the use of estimates, reference should be made to the information provided in this report, comments on operating performance, and/or in specific sections of the consolidated financial statements.

8.4 - Own shares

The share capital of the Parent Company Cassa Centrale Banca amounts to EUR 952,031,808, made up of 18,158,304 ordinary shares and 150,000 preference shares, both with a nominal value of EUR 52.

As at 31 December 2024, 15,874,453 ordinary and preference shares with a nominal value of EUR 825,471,556 (corresponding to 86.71% of the share capital) are held by the Affiliated Banks of the Cassa Centrale Group and therefore, in the consolidated financial statements, these are to be considered as own shares held in portfolio.

No shares of the Parent Company were sold during the year.

8.5 - Policies for business continuity management

The rapidly changing digital landscape and the evolving regulatory framework, with introduction of Regulation (EU) No. 2022/2554 (so-called DORA Regulation) concerning digital operational resilience for the financial sector, demanded a paradigm shift in order to better prevent business interruption events and to maintain the continuity of critical services over time.

In this regard, in 2024 alignment with this regulatory framework continued, with preparation and subsequent issue of a Group policy and Regulation on Operational Resilience. These also included specific innovative measures for the management of Business Continuity.

In order to comply with the regulatory compliance programme required by DORA, Parent Company's Business Impact Analysis (BIA) activities were brought forward to the first half of 2024, so that the Subsidiary Banks and Group Companies within the scope of consolidation can gather the relevant information by the end of the year. During the 2024 BIA campaign, process-service relationship mapping was carried out (for ICT, Business and Back-Office services).

Risk Impact Assessment (RIA) activity in 2024 also saw the introduction of a new methodology for the identification of inherent risk, analysis of vulnerabilities and determination of residual risk and related mitigation measures.

These new developments in the sphere of BIA and RIA (introduced by the Parent Company and all of the Affiliated Banks and Group Companies within the scope of consolidation), which prepare the ground for updating of the Plan, required specific training workshops to be organised for all internal Process Owners and Business Continuity Figures, with the goal of informing them of new aspects and the methods for completing relevant documentation, in addition to raising awareness around this topic.

With regard to tests, as set out in annual planning of tests for the 2024 Business Continuity Plan, tests on cash management and the end-to-end critical process for transmitting and receiving orders on the market were completed successfully. The tests checked the availability and operational capacity of provider recovery sites, as well as the reachability of the services offered by the Parent Company.

In the second half of the year, all tests set out by the annual schedule were completed, including those on unavailability of rooms, personnel, electricity, essential documentation and specific tools, including disaster recovery and restoration of critical data for the Core Banking area. All tests were successfully passed.

8.6 – Organisation, management and control model for crime prevention pursuant to Italian Legislative Decree no. 231/2001

In implementation of the delegation pursuant to article 11 of Law no. 300 of 29 September 2000, Legislative Decree no. 231 of 8 June 2001 (hereinafter also "the Decree") was issued, with which the legislator aligned domestic regulations to the international conventions, adopted also by Italy, on the liability of legal persons.

These in particular include the Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Communities, the Convention signed in Brussels on 26 May 1997 on the fight against corruption involving officials of the European Community or of the Member States and the Organisation for Economic Co-operation and Development (OECD) Convention of 17 December 1997 on the fight against corruption of foreign public officials in economic and international transactions.

The Decree, containing "Guidelines for the administrative liability of legal entities, companies and associations, including those without legal personality", introduced into Italian law a system of administrative liability applicable to entities for offences that are exhaustively listed and committed in their interest or to their advantage: (i) by natural persons with representation, administration or management functions in the Entities or in one of their organisational units endowed with financial and functional autonomy, as well as by natural persons who exercise, including de facto, management and control of the Entities, or (ii) by natural persons under the direction or supervision of one of the above mentioned persons.

The entity is not liable, on the other hand, if the aforementioned parties have acted in the exclusive interest of themselves or of third parties (art. 5, paragraph 2 of the Decree) or when it voluntarily prevents the carrying out of the action or the occurrence of the event.

In any case, the administrative liability of entities is independent of the criminal liability of the natural person who committed the offence.

The offences for which the administrative liability of entities is configurable, with specific indication of the applicable sanctions, are listed in Section III of the Decree. The Decree provides for forms of exemption from the administrative liability of entities. In particular, it establishes that, in the event of a crime committed by a top management party, the entity is not liable if it proves that:

- the management body has adopted and effectively implemented, prior to the commission of the offence, organisational and management models suitable for preventing offences of the type that occurred;
- the task of supervising the functioning and observance of the models and their updating has been entrusted to a corporate body with autonomous powers of initiative and control;
- individuals have committed the offence by fraudulently circumventing organisational and management models;
- there has been no lack of or insufficient supervision by the body responsible.

Therefore, in the case of a crime committed by top management, there is a presumption of liability on the part of the entity due to the fact that such parties express and represent the policy and, therefore, the will of the entity itself: this presumption, however, can be overcome if the entity can demonstrate the existence of the four conditions indicated above in compliance with the provisions of art. 6, paragraph 1 of the Decree.

In this case, although there is personal responsibility on the part of the top management, the entity is not liable under the Decree.

In the same way, the administrative liability of the entity also exists for offences committed by subordinates, if their action was made possible by failure to comply with management or supervisory obligations. In any case, failure to comply with these management or supervisory obligations is excluded if the company demonstrates that it has adopted and effectively implemented, prior to the commission of the offence, an organisational and management model suitable for preventing offences of the type that has occurred.

The Model must meet the following requirements:

- identification of the activities within the scope of which there is the potential that offences provided for in the Decree may be committed;
- provision of specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the crimes to be prevented;
- identification of methods of managing financial resources suitable to prevent the commission of such offences;
- provision of information obligations towards the body responsible for supervising the functioning of and compliance with the Model;
- introduction or transposition of a disciplinary system suitable to sanction non-compliance with the measures indicated in the Model;
- provision, including through specific reference to internal whistleblowing regulations, of adequate reporting channels that use the methods set out by said internal regulations to: i) guarantee the confidentiality of the identity of the whistleblower, the reported party, any other individuals involved, as well as the content of the report and the related documentation; ii) allow the parties identified as possible whistleblowers by the internal whistleblowing regulations to file a report relating to conduct of any kind (including omissions) seriously suspected of breaching the internal regulations of reference;
- prohibit retaliatory or discriminatory acts against whistleblowers and all parties indicated by the internal whistleblowing regulations for reasons linked – directly or indirectly – to the reporting of potential violations set out by the internal whistleblowing regulations.

The Parent Company has long since adopted a Model aimed at preventing the risk of incurring administrative liability of entities for the offences provided for in the Decree. The Cassa Centrale Banca model consists of two parts.

The General Section provides a description of the reference regulatory framework, the Bank's governance model and organisational set-up, the tasks and responsibilities of the Supervisory Board, the disciplinary system and the training and communication plan relating to the Model. It also provides indications on the methodology used to define the Model. Lastly, it identifies the roles and responsibilities regarding the adoption and updating of the Model.

The Special Section, organised in specific protocols for each category of offence envisaged by the Decree, identifies the sensitive activities within which the commission of such offences is reasonably conceivable, as well as the control measures, the organisational measures and the behavioural principles to be adopted for the purpose preventing their commission.

In particular, through the adoption and constant updating of the Model, the Parent Company has proposed pursuing the following main objectives:

- contribution to the internal dissemination of knowledge of the offences provided for in the Decree and of the activities that may lead to their implementation;
- communication within the Bank of the knowledge of activities in the context of which there is a risk of offences being committed and the internal rules adopted by the Bank governing the same activities;
- communication of full awareness that conduct contrary to the law and internal provisions is condemned by the Bank, as, in carrying out its corporate mission, it intends to comply with the principles of legality, fairness, diligence and transparency;
- assurance of an organisation and system of controls appropriate to the activities carried out by the Parent Company and guarantees of the correctness of the behaviour of top management, employees and collaborators.

With the establishment of the Cooperative Banking Group, the Parent Company adjusted its Model overall to ensure alignment with the new governance structure and the changed operating environment.

At the same time, the Parent Company, in order to rationalise and standardise the management of the administrative liability of entities by the Group Companies, has prepared a document containing principles and guidelines with which they are required to comply. In particular, the document provides that the Companies subject to monitoring by at least one Supervisory Authority as well as Allitude S.p.A. are required to adopt, in line with the indications contained in the document, their own Organisational, Management and Control Model, to be shared with the Supervisory Board and subsequently submitted for approval to the Management Body.

Italian-registered subsidiaries, on the other hand, are required to periodically assess their exposure to the risk of the offences set out by Legislative Decree 231/2001 being committed. Once the risk assessment is complete, if a relevant risk emerges of any of such offences being committed, the Companies are required, according to the indications contained in the document, to: (i) adopt a Model; (ii) set up a Supervisory Board, and (iii) prepare specific information flows aimed at enabling the Parent Company to become aware of relevant facts concerning the companies themselves.

The Parent Company's Model is updated with the most recent regulatory changes concerning material additions and/or amendments to the predicate offences. The Parent Company promptly informs the Group Companies of regulatory changes relevant to the updating of their respective Models.

8.7 - Country-by-country reporting

The "Country-by country" reporting as provided for by Art. 89 of Directive no. 2013/36/EU of the European Parliament and of the Council (known as CRD IV), is published on the Bank's website www.cassacentrale.it.

8.8 - Research and Development

The Cassa Centrale Group conducts research and development in line with its strategic objectives and the demands of the market. The Group's R&D is described, where relevant, in several paragraphs of this report as part of the activities managed by the Departments of the Parent Company and its Subsidiaries.

9. Significant events occurred after the end of the financial year

In relation to the provisions of IAS 10, after 31 December 2024 and until 27 March 2025, when Board of Directors approved this annual consolidated financial report, no events, facts or circumstances have occurred that led to a change in the data approved at that time, nor that they have had significant subsequent impacts on the Group's financial position and income statement.

The main events occurring after the end of the financial year are described below.

9.1 - 2025 ECB SSM Stress Test of Gruppo Cassa Centrale Banca

In the last quarter of 2024, the ECB informed the Group that it had been selected as one of the credit institutions to perform stress test conducted at European level by the European Banking Authority (EBA), starting from mid-January 2025.

The process involves the use of methodologies, scenarios and key assumptions developed in collaboration with the European Systemic Risk Board (ESRB), the European Central Bank (ECB) and the European Commission (EC), assuming a static balance sheet with reference date 31 December 2024.

The main objective of the stress test is to provide the Supervisory Authority, banks and other market operators with a common analytical framework that would allow for a comparative assessment of the resilience of the EU banking system in a hypothetical adverse macroeconomic scenario over a three-year period (2025-2027). In particular, the objectives of the stress test include:

- the assessment and comparison of the overall resilience of EU banks to serious economic shocks;
- the assessment of the capital levels of banks in relation to their ability to ensure support for the economy in periods of stress;
- the promotion of market discipline through the publication of consistent and granular data that can be compared at individual bank level;
- the contribution to the Supervisory Review and Evaluation Process (SREP).

9.2 - Inspection of the European Central Bank on Risk Data Aggregation and Risk Reporting (RDARR)

On 8 January 2025, the Cassa Centrale Group was notified of an on-site inspection (OSI) by the European Central Bank, looking at Risk Data Aggregation and Risk Reporting (RDARR), with a focus on credit risk. The RDARR inspection fall within the group of 2025-2027 regulatory priorities defined in response to assessment of the main risks and vulnerabilities of the European banking system.

The inspection, conducted from 17 February 2025, will last around 12 weeks.

9.3 – Centrale trading S.r.l. – Voluntary liquidation

On 14 March 2025, the Extraordinary Shareholders' Meeting of Centrale Trading S.r.l. resolved for voluntary early dissolution of the company, via voluntary liquidation.

9.4 – 2025-2027 Strategic Plan

On 26 March 2025, the Board of Directors of Cassa Centrale Banca approved the Strategic Plan with a 2025-2027 time period, which updates the 2024-27 Strategic Plan approved last year.

The update was issued in line with a "rolling" logic adopted in the Group's strategic planning process, which establishes annual review of the Plan. This approach has been adopted taking into account that the Group has been operating since 2019 and is moving in a continuously and rapidly evolving market and regulatory environment.

The outline of initiatives of the previous Strategic Plan was confirmed, updating economic and financial and equity projections that took into account the altered macroeconomic and market situation and results achieved at the end of financial year 2024.

9.5 – 2025-2027 NPE Strategy

On receipt of the last SREP Letter in November 2024, unlike in previous years, the Supervisory Authority requested submission of the NPE Strategy for the period 2025-2027, limited to SME and CRE portfolios and bringing forward the submission date from 31 March to 14 March. In order to meet the tighter new deadline, for submission of the strategy for CRE and SME portfolios, the decision was made to also bring forward definition of the NPE Strategy for the entire Group loan portfolio, which was approved by the BoD on 13 March 2025.

10. Business outlook

The 2024 economic scenario was characterised by moderate economic growth and slowing growth in prices.

The geopolitical scenario remains heavily affected by the conflicts in Ukraine and the Middle East. The duration and developments of the conflicts currently remain unpredictable, with related implications for the global and national economy.

The main global Central Banks have launched a cycle of interest-rate cuts that will continue in 2025.

The scenario described has led to two main dynamics for the entire Italian banking sector: weak demand for credit from families and businesses and moderate growth in direct funding. In 2025, with consolidation of these dynamics and progressive reduction in interest rates by the European Central Bank, the contribution of net interest income to the profits of Italian banks is expected to fall.

Business development and improved operating efficiency are therefore confirmed as the main levers for the strategic evolution and structural profitability in the sector.

In such an economic context, the Group continues to focus its attention on strongly supporting the economic fabric of the reference territories, which are facing a rapidly and constantly changing situation, and on overseeing the overall risk profile.

Investment continues in expertise and technology alongside initiatives to increase operational efficiency under the Strategic Plan.

Report on Consolidated Operations of the Cassa Centrale Group 2024 Consolidated Sustainability Report

2024 Consolidated Sustainability Report

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1. General Disclosures

1.1 Reporting Criteria

ESRS 2

1.1.1 General Criteria for Consolidated Sustainability Reporting

[ESRS 2 BP-1]

Legislative Decree 125/2024, transposing **Directive (EU) 2022/2464 (Corporate Sustainability Directive - CSRD)**, replaces and updates the previous Legislative Decree 254/2016, introducing new corporate reporting requirements for large Public-Interest Entities, including the Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group (hereinafter also referred to as the “Cassa Centrale Group” or the “Group”), applicable from 1 January 2025, regarding financial year 2024.

In accordance with the new regulatory provisions, the Group, as a “large” Public-Interest Entity, is required to prepare Consolidated Sustainability Statement (hereinafter also referred to as the “Statement” or “document”). The purpose is to provide a comprehensive picture of the business, its performance and results, and the environmental, social and governance impacts generated.

This document, on the basis of Article 6 of the aforementioned Legislative Decree, has therefore been prepared in accordance with the requirements of the **European Sustainability Reporting Standards (ESRS)**, adopted with **Delegated Regulation (EU) 2023/2772**. These standards lay down specific reporting requirements, including policies adopted, actions taken, targets set and progress achieved with respect to ESG issues. This Report was prepared exploring the issues of relevance identified on the basis of a double materiality analysis conducted in accordance with ESRS standards. These are:

- Climate change;
- Own workforce;
- Affected communities;
- Consumers and end-users;
- Business conduct.

The Report was prepared on a consolidated basis in order to provide all stakeholders with a complete and comprehensive picture of the Group’s sustainability performance.

Reporting process

[ESRS 2 BP-1]

The 2024 Consolidated Sustainability Report constitutes a separate section of the Report on Operations, which is an integral part of the Annual Financial Report of the Cassa Centrale Group.

The Statement provides an overview of relevant impacts, risks and opportunities (“IROs”), identified through the double materiality analysis conducted during the reporting year (for more details, see section 1.4 “Management of Impacts, Risks and

Opportunities”). Unless specified otherwise, the data and information contained in this document refer to the financial year from 1 January 2024 to 31 December 2024.

As this is the first year of reporting under the CSRD, data from the previous year have not been included, as they reflect the previous reporting standards and are not directly comparable with the information required by the European Sustainability Reporting Standards (ESRS).

Reporting scope

[ESRS 2 BP-1]

The qualitative and quantitative data in the Consolidated Sustainability Statement of the Cassa Centrale Group refers to the Group performance at 31 December 2024.

Reporting scope includes data of the Parent Company (Cassa Centrale Banca), the 65 Affiliated Banks and the 8 fully consolidated Subsidiaries. In addition to these, reporting includes Group subsidiaries consolidated with the equity method that significantly influence the Group’s sustainability performance for the year 2024 (Centrale Trading S.r.l., Claris Rent S.p.A., Centrale Soluzioni Immobiliari S.r.l. in liquidazione, Assicura S.r.l., Cassa Rurale Alta Valsugana Soluzioni Immobiliari S.r.l., Raiffeisen Immobilien S.r.l., Società Agricola Terre Della Rocca S.r.l., Azienda Agricola Antoniana S.r.l., and Agorà S.r.l.) for the purpose of quantifying emissions.

Equity investments over which the Group exercises significant influence but not operational control (Partecipazioni Cooperative S.r.l., Finanziaria Trentina della Cooperazione - Fincoop S.p.A., Servizi e Finanza Fvg S.r.l., Rendena Golf S.p.A., Rittner Horn Bergbahnen Ag, Le Cupole S.r.l., Cabel Holding S.p.A.), were included in the calculation of Scope 3 emissions, as required by the standards. Finally, the company Scouting S.p.A., over which the Group exercises significant influence but not operational control, was included in the value chain.

For further details with regard to the list of consolidated companies, please refer to the 2024 Consolidated Financial Statements of the Cassa Centrale Group. Any further limitations in the scope are suitably indicated in the report.

There are no subsidiaries within the scope of consolidation that are exempt from Consolidated Sustainability Reporting. There are two Affiliated Banks, however, that pursuant Article 7 of Legislative Decree 125/2024 are exempt from individual reporting by virtue of their inclusion in consolidated reporting: Banca Prealpi Sanbiagio Credito Cooperativo - Società Cooperativa e BVR Banca Veneto Centrale - Credito Cooperativo Italiano - Società Cooperativa. Reporting provides information not only on activities carried out directly by the Cassa Centrale Group, but also includes data on the value chain, upstream and downstream. In particular, information is provided on suppliers and customers, with specific reference to credit and investment activity, as well as a description of the policies, actions taken and objectives set for the management of links in the value chain.

Impacts, risks and opportunities (IROs) affecting the value chain are covered in the materiality-analysis section and explored in more detail in the topic-specific disclosures. Group policies, objectives and actions, where they involve actors in the value chain, are clearly indicated in the respective sections, ensuring transparency in the management approach. Some metrics, such as those related to Scope 3 emissions, include value-chain information. Where metrics consider such data, this is specified in the corresponding sections, providing a clear and comprehensive picture of the coverage and relevance of the information presented.

It should be noted that the Cassa Centrale Group did not omit information on intellectual property, know-how and the results of innovation.

No company utilised the exemption from disclosing information on upcoming developments or matters under negotiation.

1.1.2 Disclosures in relation to specific circumstances

Time horizons

[ESRS 2 BP-2]

In preparing the Consolidated Sustainability Statement and in identifying impacts, risks and opportunities, the Group has considered short-, medium- and long-term time horizons, as defined below.

- Short-term: the reference period considered by the company for its financial statements (one year). It should be noted that the reference period used for risk assessment, i.e. three years, was adopted solely for financial materiality purposes.
- Medium-term: up to five years from the end of the short-term reference period.
- Long-term: beyond five years.

Value-chain estimation

[ESRS 2 BP-2]

[ESRS 2 MDR-A]

Any estimates in calculations concerning the value chain have been appropriately flagged in the reference indicators by means of a table. It is noted that no metrics included within the document have been validated by an external body other than the party issuing the certification of compliance.

Datapoints requiring data on monetary resources falling under capital expenditure (CapEx) and operational expenditure (OpEx) for the Group's management of IROs have not been included in this report as, based on the analysis carried out, the amounts were not significant.

Sources of estimation and outcome uncertainty

[ESRS 2 BP-2]

To ensure an accurate representation of performance and reliability of data, the use of estimates has been limited. Where used, estimates are clearly flagged in the reference indicator. Any uncertainties in outcomes are highlighted through specific comments or footnotes, providing the information necessary for correct interpretation of the data.

In particular, the information subject to the estimation process, and therefore subject to greater inherent limitations due to the limited availability and relative accuracy of the information used for calculation purposes, concerns Scope 3 emissions. The Cassa Centrale Group has adopted recognised frameworks for gathering, estimating and reporting data on these emissions wherever direct calculations were not available, including:

- GHG Protocol;
- Partnership for Carbon Accounting Financials (PCAF).

In the absence of primary data from stakeholders, the Group has relied on estimation techniques involving assumptions based on the best available information. These techniques include:

- emission factors from recognised sources;
- proxy data.

Please refer to section "2. Environmental Information", chapter "2.2 Climate Change", paragraph "2.2.4.2 Direct and indirect emissions".

In reporting forward-looking information – including future targets and objectives – uncertainties are inherent and, therefore, such information may be subject to change.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

[ESRS 2 BP-2]

The Cassa Centrale Group, which qualifies as a large enterprise and a Public-Interest Entity (PIE) pursuant to Article 1 of Legislative Decree 125/24, is subject to the requirements to include information in its Sustainability Report on how and to what extent the Group's activities are associated with economic activities considered environmentally sustainable pursuant to

Regulation (EU) 2020/852 (the Green Taxonomy). In accordance with ESRS 1, this information has been reported in the environmental section of this document.

With regard to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), these have been fully integrated into the reporting standard on climate change, ESRS E1 – Climate Change. As a result, the Cassa Centrale Group no longer provides a separate overview of the recommendations, as their descriptions are dealt with in the sections on Corporate Governance and Sustainability, SBM-3, the Double Materiality Analysis and in the section on climate change.

Incorporation by reference

[ESRS 2 BP-2]

All information required under the ESRS is contained in full within this document. In particular, no inclusions were made by reference to other documentation.

1.2 Governance

1.2.1 Administrative, management and supervisory bodies

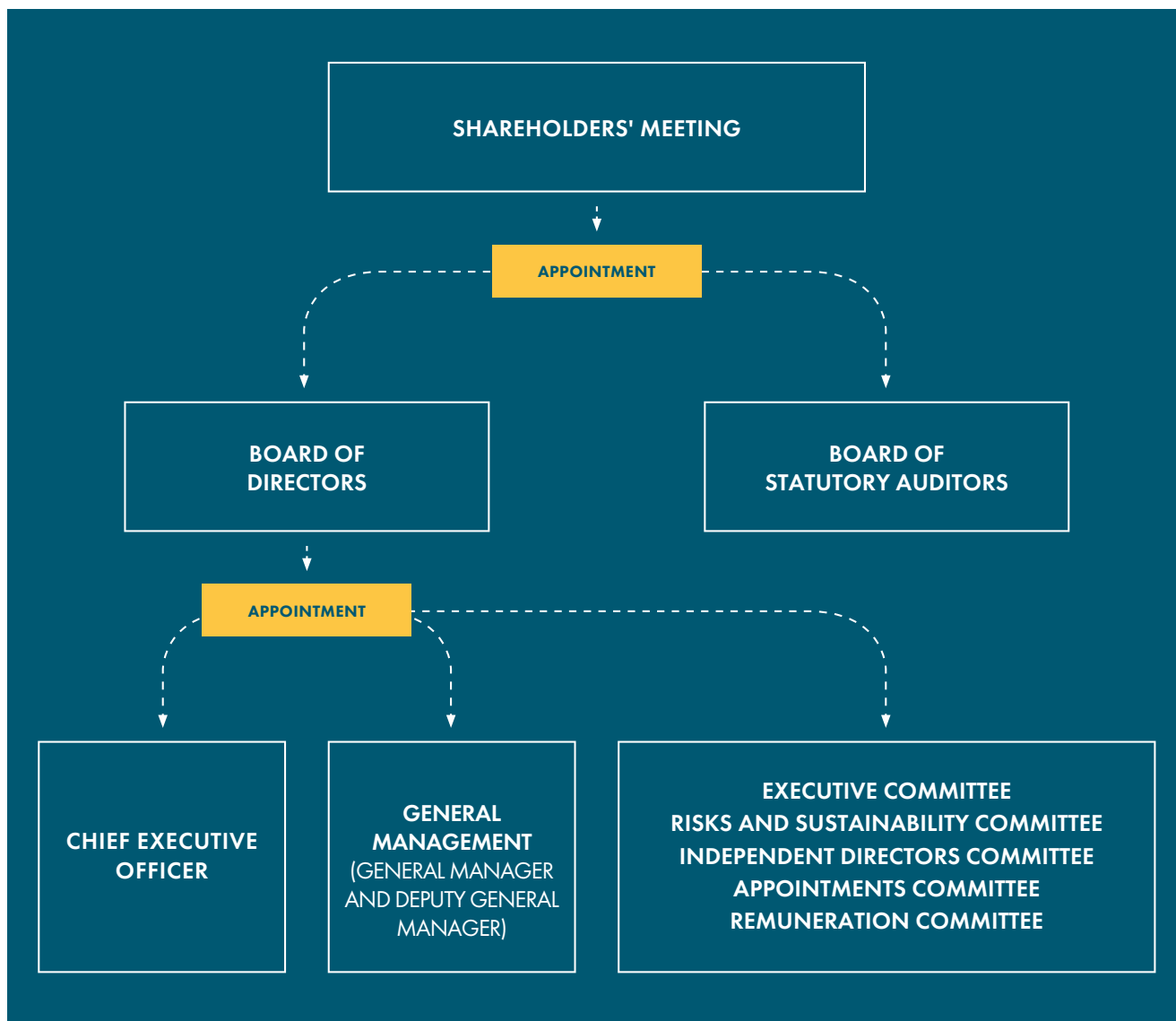
[ESRS 2 GOV-1]

[ESRS 2 MDR-M]

Cassa Centrale Banca adopts a traditional governance system, the structure of which consists of:

- **Annual General Meeting:** appoints the Board of Directors and Board of Statutory Auditors, and establishes their remuneration. The Meeting is called at least once a year and resolves upon approval of the separate financial statements and on the allocation and distribution of profits;
- **Board of Directors:** responsible for the strategic supervision and management of the Group;
- **Chief Executive Officer:** performs executive and management duties for the Company and the Group;
- **Executive Committee:** in charge of implementing Corporate Governance and Risk Management Policies;
- **4 Board Committees** (Risks and Sustainability, Independent Directors, Appointments, Remuneration);
- **Board of Statutory Auditors:** exercises control in relation to compliance with law and the Articles of Association, as well as the adequacy of the organisational and administrative-accounting structure.

The roles played by the bodies listed above are detailed in the Report on Operations in paragraph 1.3 “Corporate Governance”.



The **Board of Directors** of Cassa Centrale Banca, as at 31 December 2024, is composed of **15 members**, in accordance with Article 22 of the Parent Company's Articles of Association.

Although Italian law does not expressly regulate the figure of workers' representative, the Cassa Centrale Group, in its Articles of Association (section 22.2), establishes and directly regulates the appointment of **10 members** who "represent the Affiliated Banks", i.e. persons who hold positions in the Affiliated Banks' administrative bodies or General Management, or in the General Management of the Company itself. This ensures adequate local representation of Affiliated Banks and areas in which the Cooperative Banking Group operates.

Of the remaining members:

- **4 members** qualify as independent directors, in accordance with the independence requirements set forth in the relevant laws and regulations;
- **1 member** is an external director, unrelated to the Affiliated Banks.

The Board of Directors complies with the statutory and regulatory requirements concerning gender representation, guaranteeing the minimum percentage of members belonging to the least represented gender, as well as all rules concerning composition of the governing body. Since the Group was established, Cassa Centrale Banca has guaranteed gender balance, in line with the Corporate Governance Project, which dictates minimum representation of one-fifth for the least represented gender.

With the renewal of corporate offices for the three-year period 2022-2024, this percentage was further increased. This brought the number of Directors of the least represented gender to 5 out of 15, equal to 33% of the total, with a ratio of female to male components of 0.5, thus fully implementing the provisions of Bank of Italy Circular 285, Update No. 35.

In accordance with the Articles of Association, the Board of Directors of Cassa Centrale Banca is composed of members with diversified skills, aimed at ensuring effective and informed management of the Parent Company. This diversity of expertise is designed to cover all necessary areas, supporting decision-making processes and the effective functioning of board committees.

The composition of the Board reflects a balance of executive and non-executive members, including independent directors, thus ensuring independent judgement and multiple perspectives. It also takes into account geographical and sector-specific aspects of the Group’s operations, introducing expertise related to the products, markets and areas in which the Parent Company operates.

The characteristics of composition of the Board are designed to:

- **fuel debate and discussion within the administrative body**, creating an open and inclusive decision-making environment;
- **foster independent thought and rational decision-making processes**, enabling informed strategic decisions;
- **support corporate processes, including strategizing**, risk management and oversight of the work of senior management;
- **ensure a range of approaches and perspectives**, harnessing differing experience for detailed analysis and strategic decisions;
- **protect the multiple interests of stakeholders**, promoting sound and prudent management of the Group.

To this end, each area of expertise is led by qualified members who are able to ensure detailed analysis and informed strategic decisions.

Professional Profile of the Board of Directors

Academics and/or Lawyers



Accountants and Auditors



Banking and governance consultants



Bank Managers



IT Managers

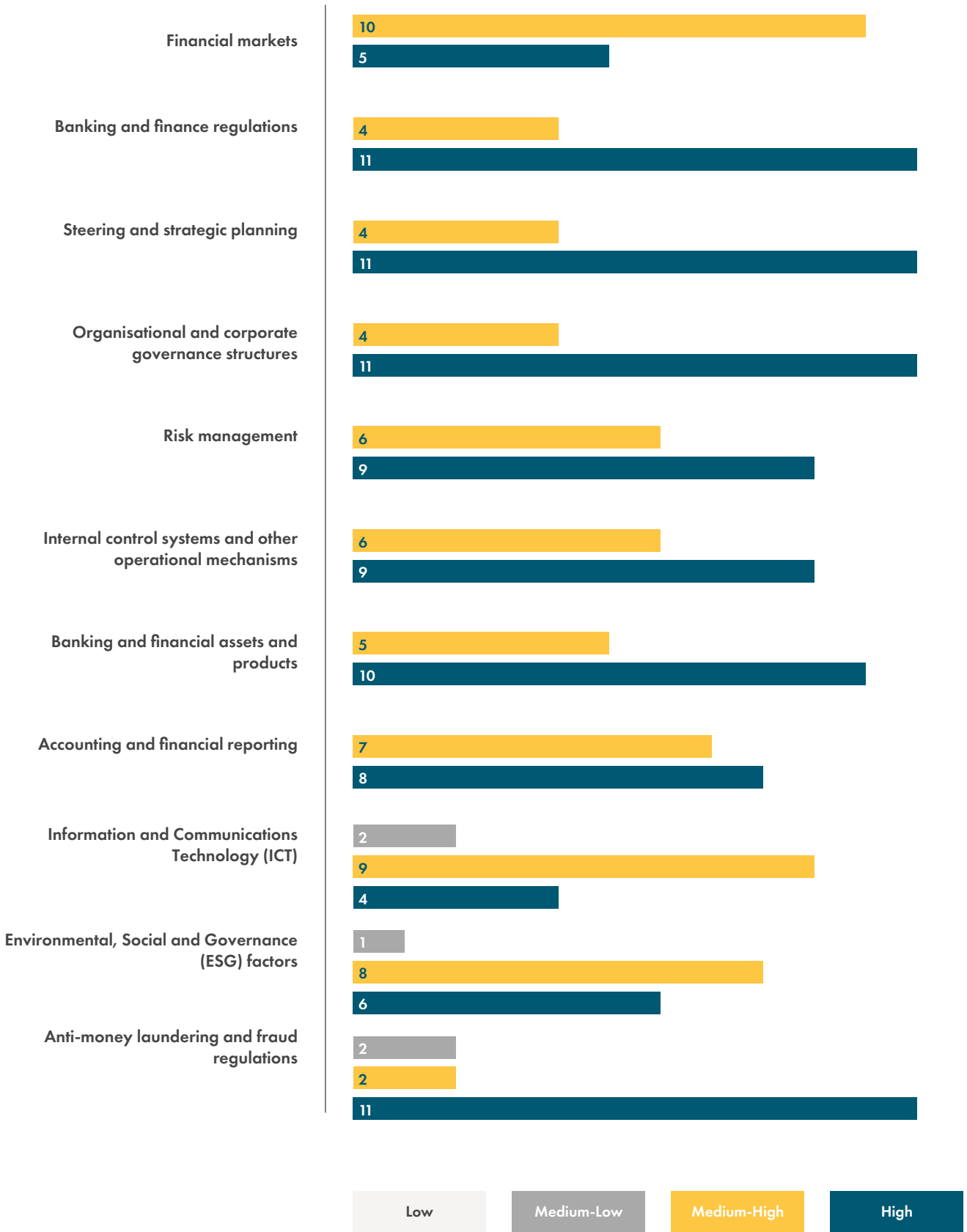


Entrepreneurs and Freelancers



Adequacy of expertise of the Board of Directors

The following graph illustrates the level of competence of directors, self-assessed on a scale from 1 (Low) to 4 (High), highlighting the areas of greatest specialisation within the Board.



Below is a table presenting the composition of the Board of Directors of Cassa Centrale Banca by number and percentage.

Composition of the Board of Directors, Board Committees and Board of Statutory Auditors of the Parent Company

BOARD OF DIRECTORS AND BOARD COMMITTEES OF THE PARENT COMPANY	31/12/2024					
	Board of Directors	Executive Committee	Risks and Sustainability Committee	Independent Directors Committee	Remuneration Committee	Appointments Committee
No. of Directors	15	5	5	3	3	3
Executive	5	5	-	-	-	-
Non-Executive	10	-	5	3	3	3
of which, independent	4	-	3	3	2	2
% of which independent	26.7%	-	60.0%	100.0%	66.7%	66.7%
Women	5	1	3	2	1	1
Men	10	4	2	1	2	2
% Women of total	33.3%	20.0%	60.0%	66.7%	33.3%	33.3%
% Men of total	66.7%	80.0%	40.0%	33.3%	66.7%	66.7%
Average ratio of female to male members	50.0%	25.0%	150.0%	200.0%	50.0%	50.0%
< 30 years	-	-	-	-	-	-
30-50 years	1	-	-	1	1	1
> 50 years	14	5	5	2	2	2
% of Directors <30 years	-	-	-	-	-	-
% of Directors 30-50 years of age	6.7%	-	-	33.3%	33.3%	33.3%
% of Directors >50 years old	93.3%	100.0%	100.0%	66.7%	66.7%	66.7%

PARENT COMPANY BOARD OF STATUTORY AUDITORS BY GENDER	31/12/2024				
	Men	Women	Total	% Men of total	% Women of total
Chairman of Board of Statutory Auditors	1	-	1	100.0%	-
Standing member of the Board of Statutory Auditors	-	2	2	-	100.0%
Total - Board of Statutory Auditors	1	2	3	33.3%	66.7%

Affiliated Banks of the Cassa Centrale Group are defined by primary and secondary legislation applicable to mutual credit cooperatives.

The organisation of BCC Banks provides for a Board of Directors usually composed of Members. Individual directors must meet specific requirements of good repute and competence as set out by banking regulations and Group guidelines. The system ensures a balance of management autonomy for individual Banks and coordination with the Parent Company, which provides strategic support and oversight to ensure system stability.

In the composition of corporate bodies, the Group promotes respect for the principles of gender representation, both for the Board of Directors and the Board of Statutory Auditors, in line with values of fairness and inclusion. This commitment aims to ensure diverse governance, which can enhance decision-making and foster a more balanced approach to business management.

In compliance with Bank of Italy Circular No. 285 of 17 December 2013, the Group's Affiliated Banks, classified as small banks or banks of operational complexity, are expected to progressively adjust their position. The initial target is to reach 20% of the least represented gender, before then aligning with the 33% threshold by 30 June 2027.

This provision is formalised in the “Group Model for the optimal qualitative and quantitative composition of the corporate bodies and management of the Affiliated Banks”, updated on 14 December 2023, which dictates that corporate bodies must ensure gender quotas are observed upon full or partial renewal of their members. All Affiliated Banks of the Group have already reached the minimum quota of 20%. In 2024, female membership of the Boards of Directors within the reporting scope, excluding the Parent Company, sits at 25%.

The table below provides an overview, at Group level, of the breakdown by gender of the corporate bodies.

Composition of the Board of Directors and the Board of Statutory Auditors of the Companies within the reporting scope (excluding Cassa Centrale Banca)

CORPORATE EXECUTIVES BY GENDER	31/12/2024				
	Men	Women	Total	% Men of total	% Women of total
Chairperson of Board of Directors	72	6	78	92.3%	7.7%
Deputy Chairperson	82	12	94	87.2%	12.8%
Other administrators	297	132	429	69.2%	30.8%
Total - Board of Directors	451	150	601	75.0%	25.0%
Chairman of Board of Statutory Auditors	61	13	74	82.4%	17.6%
Standing member of the Board of Statutory Auditors	78	71	149	52.3%	47.7%
Total - Board of Statutory Auditors	139	84	223	62.3%	37.7%

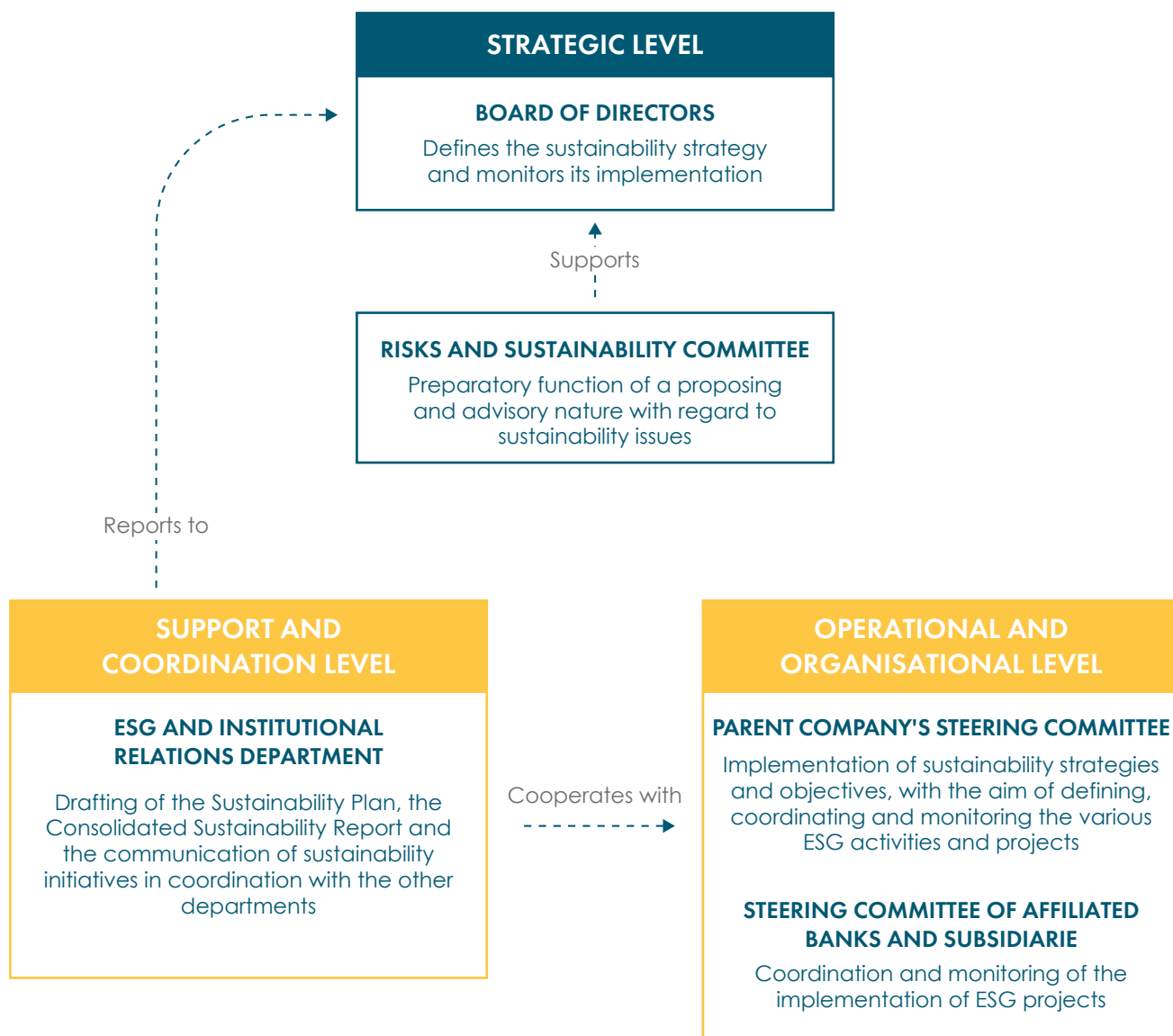
Sustainability Governance

[ESRS 2 GOV-1]

To meet the challenges of sustainability and guide the financial sector towards increasingly responsible models, the Group has established structured and detailed Sustainability Governance. Sustainability Governance refers to a strategic architecture through which the Group ensures ESG goals are met in a coherent, integrated and measurable way. This system enables effective coordination of the various Group departments and bodies, ensuring transparent communication and constant monitoring of ESG impacts, risks and opportunities.

The Group’s current organisational structure in the ESG sphere features:

- **a strategic level**, involving the Board of Directors and the Risk and Sustainability Committee, with the task of overseeing strategic decisions and guiding actions towards achievement of the Group’s ESG goals;
- **an organisational and coordination level**, including the Parent Company’s Steering Committee and the Steering Committees of the Affiliated Banks and subsidiaries, which are responsible for implementing ESG initiatives in their different regions;
- **an operational and support level**, represented by the ESG and Institutional Relations Department, which is responsible for defining ESG goals and metrics, drafting the Consolidated Sustainability Statement and related activities (including updating Group ESG policies) as well as communicating ESG initiatives and promoting dialogue with stakeholders.



Board of Directors

The Board of Directors is the body assigned with strategic oversight and management of the company. During its meetings, the Board of Directors periodically examines the results of processes, including those related to ESG issues, which undergo prior and in depth analysis by the Risk and Sustainability Committee and, based on their respective areas of expertise, by the Remuneration and Appointments Committees. The Board of Directors is also responsible for oversight of impacts, risks and opportunities, according to the respective areas of expertise.

Specifically, the Board of Directors is responsible for oversight of the organisation's due diligence, as well as processes to identify and manage ESG impacts, ensuring that Group activities comply with current policies. In this context, with the support of the Risk and Sustainability Committee, the Board of Directors is responsible, among other activities, for reviewing and approving:

- the sustainability (ESG) strategies and policies;
- the **strategy** for improving management of impacts, risks and opportunities, defined following the double materiality analysis and further detailed analysis by the Risk Management Department (including analysis for identification of material climate and environmental risks);
- the **Sustainability Plan**, which sets out the Group's approach to Sustainability through detailed objectives, translating the values enshrined in the Articles of Association of Cassa Centrale Banca and Affiliated Banks, as well as in the Code of Ethics, into concrete goals;

- the **Consolidated Sustainability Statement**, ensuring that it is prepared and published in accordance with current CSRD regulations, monitoring the Group's sustainability performance and approving any reports of particular significance;
- the Group's **Code of Ethics**, in which it is emphasised that respect for and protection of the environment are fundamental elements of the Group's strategy and mission. Its commitment is also formalised in a dedicated policy ("Environmental Policy");
- the **Remuneration Policies** and the variable remuneration components related to sustainability.

The members of the Board of Directors have a wide range of expertise, appropriately distributed amongst members. This ensures they contribute effectively to the identification and execution of corporate strategies and to guaranteeing effective management of risks, including ESG risks, in all areas of the Cassa Centrale Group.

To further reinforce this expertise, Members of the Board of Directors participate in dedicated training courses with a specific focus on sustainability. One example is the training seminars provided in 2024 on ESG issues for corporate executives of the Cassa Centrale Banca Group.

Training activities covered the integration of sustainability into bank processes regarding data, models, scenarios and expertise, as well as how credit and investment policies can influence strategic choices. Obligations arising from the Corporate Sustainability Reporting Directive and the EU Delegated Regulation 2023/2772 on Sustainability Reporting Standards (ESRS), changes with respect to the Non-Financial Statement, the ECB and EBA climate stress test, and the regulatory framework of the Civil Code and the Corporate Governance Code were discussed in detail. The skills acquired enable adequate support for Members of the Board of Directors in assessment of sustainability-related risks and opportunities, mitigating legal and reputational risks, and in adoption of strategies aligned with these regulations.

These programmes, delivered by external trainers in cooperation with specialised departments of the Parent Company, offer insights into regulatory changes, market developments and sustainability challenges, including material impacts, risks and opportunities (IRO). Meanwhile, Corporate Representatives of the Affiliated Banks participate in a training programme that has been validated by the European Central Bank as part of the Fit&Proper assessment process.

The number of hours of training provided to the Parent Company's Board of Directors and Board of Statutory Auditors, as well as sustainability training, are listed below.

Cassa Centrale Banca governance-sustainability expertise

NUMBER OF TRAINING HOURS	31/12/2024					
	Sustainability training			Total training		
	Men	Women	Total	Men	Women	Total
Board of Directors	30	15	45	180	109	289
Board of Statutory Auditors	3	6	9	31	49	80
Total	33	21	54	211	158	369

Risks and Sustainability Committee

The Risk and Sustainability Committee is an internal board committee composed of five non-executive directors, three of whom are independent, and plays a central role in supporting the Board of Directors. Specifically, the Committee deals with issues related to risks and the internal control system, in accordance with the requirements of Bank of Italy Circular 285/2013, as amended, and the provisions set out in its Internal Regulations.

In the ESG sphere, the Committee provides analysis, proposals and advice, assisting the Board of Directors in assessment and decision making regarding the management of sustainability impacts, risks and opportunities. Its contribution aims to ensure the integration of these aspects into corporate strategies, promoting sustainable governance aligned with the cooperative identity of the Group.

For the ESG sphere, the Committee is responsible for supporting the Board of Directors in:

- **verifying proper implementation of strategies, risk-governance policies (including ESG risks) and the Risk Appetite Framework (RAF), and capital and liquidity management policies;**
- **verifying and overseeing consistent integration of sustainability-risk drivers and associated impacts** into the existing internal control and risk management system, in accordance with applicable regulatory requirements;
- **defining the guidelines and objectives of the Sustainability Plan**, in line with the Strategic Plan (whose compliance is periodically monitored), **as well as Sustainability policies** aimed at the sustainable creation of value considering the contribution the Group can make to achieving the Sustainable Development Goals defined by the United Nations (2030 Agenda) and any subsequent international protocols and standards;
- **periodic monitoring of compliance with targets set in the Sustainability Plan**, which in turn considers the supervisory expectations of the Strategic and Operating Plan for the management of climate and environmental risks and is integrated into the Group's Strategic Plan;
- **in assessing ESG impacts on Stakeholders** and the related engagement activities;
- **identifying the correct application of the main standards and methods for preparing the Consolidated Sustainability Statement** and activities to update the double materiality analysis.

In 2024, the Risks and Sustainability Committee met 17 times. Three of these meetings were held jointly with the Appointments Committee and three others with the Remuneration Committee.

For further details, please refer to the specific section on the Committee in paragraph 1.3 "Corporate Governance" of the Report on Operations.

ESG Steering Committees of the Parent Company and Affiliated Banks and Subsidiaries

The Group's organisational and operational structure in the ESG sphere is made up of ESG Steering Committees of the Parent Company and Affiliated Banks and Subsidiaries.

The **Parent Company's ESG Steering Committee** corresponds with the ESG Executive Committee, consisting of the Chief Officers and chaired by the Chief Executive Officer. The following tasks are assigned to the ESG Steering Committee:

- support the competent bodies in the strategic proposal related to ESG issues;
- draft periodic reports to the Risk and Sustainability Committee and the Board of Directors on the monitoring of the Parent Company's Sustainability Plan and the progress of initiatives to achieve strategic ESG positioning targets;
- prepare and collectively define the draft Sustainability Plan and related strategic objectives, in line with the Strategic Plan and climate-related and environmental risk governance framework periodically defined based on the context and material exposure of the Group;
- promote the exchange of information and ensure the necessary synergies between the different ESG components and projects;
- propose, monitor, steer and coordinate the dynamics and operations of the main ESG projects, with particular reference to ESG integration into the business;
- involve the Departments in the activation of specific ESG projects, fostering cross-functional collaboration;
- promote cooperation and synergy among Affiliated Banks in terms of dissemination of best practices and extension of Targets to the Group.

Parent Company ESG Steering Committee meetings are periodically extended to include Directors of the subsidiaries.

In addition, **ESG Steering Committees have been established for Affiliated Banks and Subsidiaries**, chaired by individual ESG Managers, identified from the General Management team of the Subsidiary or Affiliated Bank. The ESG Steering

Committee of each Affiliated Bank and Subsidiary has the aim of coordinating and monitoring activity of the Affiliated Banks and Companies with regard to relevant ESG projects, where envisaged by the Sustainability Plan, and further ESG-related activities. In addition, the Steering Committee's role is to foster cross-functional collaboration within the Affiliated Banks and Subsidiaries and with the Parent Company, building a shared ESG culture.

The "Community of Practice of ESG Representatives" was established in 2023, within which the good ESG practices of the Affiliated Banks are shared and where guidance and supporting materials are distributed for the periodic conduct of the Banks' Steering Committees.

In order to monitor the progress of the Group's ESG initiatives, regular meetings (at least quarterly) of the ESG Steering Committees of the Parent Company and of the Affiliated Banks and Subsidiaries are scheduled. The information flows stipulate that for the Affiliated Banks and Subsidiaries, the minutes of the ESG Steering Committee are sent to the Parent Company, which notes the progress of sustainability initiatives in the individual territories. Close and continuous collaboration between different internal Group functions ensures that sustainability and the management of associated impacts, risks and opportunities is an integral part of corporate strategy.

The Parent Company's ESG Steering Committee met four times in 2024 to discuss and examine the progress of Sustainability Plan projects and, more generally, the progress of strategic positioning targets. Two sessions were devoted to climate and environmental risks and corresponding business strategy.

The Cassa Centrale Group implements a structured ESG training programme aimed at the administrative, management and supervisory bodies of Affiliated Banks and Subsidiaries, aimed at furthering expertise in environmental, social and governance spheres. Courses address regulatory updates, ESG risk management, strategic sustainability initiatives and impact assessment and mitigation methods.

Training is flexible, delivered via remote and pre-recorded sessions, enabling Members of the Board of Directors and Board of Statutory Auditors to constantly refresh their knowledge. This approach ensures increasingly informed and knowledgeable governance, competent in key ESG issues and capable of integrating sustainability principles into strategy and management.

Governance-sustainability expertise for reporting scope (excluding Cassa Centrale Banca)

NUMBER OF TRAINING HOURS	31/12/2024					
	Sustainability training			Total training		
	Men	Women	Total	Men	Women	Total
Board of Directors	1,060	376	1,436	7,881	2,907	10,788
Board of Statutory Auditors	323	205	528	2,847	1,656	4,503
Total	1,383	581	1,964	10,728	4,563	15,291

ESG and Institutional Relations Department

The Parent Company's ESG and Institutional Relations Department defines the ESG strategy and monitors the implementation of projects.

The Department coordinates activities for the preparation of the Consolidated Sustainability Statement and external communication of all initiatives related to sustainability/ESG issues at Group level.

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

[ESRS 2 GOV-2]

The Board of Directors and the Risk and Sustainability Committee receive regular, structured information flows aimed at ensuring effective oversight of ESG issues and monitoring achievement of the Group's strategic sustainability goals.

These bodies are updated monthly on the progress of projects included in the Sustainability Plan, the evolution of ESG risks and the progress of related strategies. On a quarterly basis, following ESG Steering Committee meetings, a detailed update is shared on progress towards strategic targets and developments of ESG initiatives. Reports include detailed analyses and precise information to ensure continuous monitoring.

The Board of Directors plays a central role in overseeing the Group's strategy and decisions, ensuring that relevant impacts, risks and opportunities (IROs) are considered at all stages of the decision-making process. The IROs identified through the double materiality analysis and formalised in the Sustainability Plan are essential to:

- **define** concrete and measurable **targets**;
- **ensure** continuous **monitoring** of the achievement of these targets;
- **align Group policies** with strategic values and objectives, ensuring integrated management of ESG risks.

In this context, the Risk and Sustainability Committee provides analysis, proposals and advice, assisting the Board in assessing IROs, sustainability policies and corporate strategies in the ESG sphere.

During the financial year, the Board of Directors and the Committee addressed strategic sustainability issues including:

- **approval and monitoring of targets** defined in the Sustainability Plan;
- **ESG risk assessment and management**, with a focus on climate and environmental risks;
- **approval of policies** to reinforce the Group's alignment with ESG principles and applicable regulations;
- **monitoring of reporting metrics and activities** required by regulations, including approval of the double materiality analysis and the resulting material impacts, risks and opportunities, and Sustainability Reporting in accordance with the CSRD.

Through these processes, the Board of Directors ensures that the Group's strategy is fully integrated with ESG issues, while guaranteeing responsible and transparent governance.

1.2.3 Integration of sustainability-related performance in incentive schemes

[ESRS 2 GOV-3]

[ESRS 2 MDR-M]

The Cassa Centrale Group adopts a system of remuneration and incentive policies aimed at ensuring alignment with its values, corporate strategies and the mutual nature of Affiliated Banks, with a view to sustainable and responsible management. These policies aim to reconcile the interests of all stakeholders, ensuring consistency with long-term strategic objectives, including those related to sustainable finance and ESG factors. The Group's remuneration policies are structured to support sustainable growth by incentivising a prudent management approach, in accordance with the current regulatory framework. Specifically, they take into account credit-risk monitoring and management strategies, including provisions for impaired loans, ensuring that the incentive system does not lead to inopportune conduct or excessive risk-taking, preserving the stability of the Group and the financial system as a whole.

The incentive system assigns a performance card to each recipient, which is attached to the letter of assignment for the Incentive Plan. This establishes qualitative and quantitative targets consistent with assigned responsibilities and Group strategies. It is divided into three areas: group goals, reflecting overall strategic priorities; role-related goals, linked to specific individual responsibilities; and ESG goals, aimed at integrating sustainability principles into company performance.

ESG goals are integrated into remuneration policies through specific performance metrics, included on the performance scorecards. These indicators cover environmental, social and governance aspects and are aligned with the Group’s Sustainability Plan. The Material Risk Takers at the consolidated level (the categories of individuals whose professional activities have or may have a material impact on the risk profile of the Bank or Banking Group), with variable remuneration based on an MBO incentive scheme, are assessed on sustainability targets for a total of 15%, referring for the year 2024 to:

- procurement of a growing percentage of electricity from renewable sources (certified in Italy);
- achievement of the milestones set out for 2024 following receipt of the ECB Combined Decision on climate and environmental risks;
- execution of ESG training plans for corporate bodies and employees of all Group companies.

Share of variable remuneration dependent on sustainability-related targets and/or impacts

SHARE OF VARIABLE REMUNERATION DEPENDENT ON SUSTAINABILITY-RELATED TARGETS AND/OR IMPACTS	UoM	31/12/2024
	%	15.0%

Metrics

The only employee holding administrative, management and supervisory positions is the Chief Executive Officer, as he also holds the position of Group General Manager. A variable remuneration component is also provided for the Group’s Material Risk Takers, which includes the Parent Company Chief Officers.

The aim for the coming years is to maintain the component linked to ESG goals at 15%, which can be achieved through the introduction of additional qualitative-quantitative KPIs and definition of a structured process to monitor and implement ESG KPIs. The goals are updated annually together with the Remuneration Policy.

Group companies annually submit their remuneration and incentive policies to the Board of Directors and/or the Annual General Meeting for approval. Individual companies are responsible for compliance with the regulations directly applicable to them and for proper implementation of the Parent Company’s guidelines. For further details, please refer to the section on “3. Social Information”, chapter “3.1 Own Workforce”, paragraph “3.1.2.1 Policies related to own workforce”.

1.2.4 Statement on due diligence

[ESRS 2 GOV-4]

Currently, although it has not formalised a structured sustainability due-diligence process, the Cassa Centrale Group has developed an approach to managing current and potential risks and impacts, including those related to human rights. This system makes it possible to monitor and address key ESG issues through tools and procedures integrated into business processes.

The following table shows the sections of the Sustainability Report describing the Group's approach to the management of impacts, risks and opportunities (IRO), ensuring constant monitoring and progressive alignment with industry best practices.

Core aspects of due diligence	Paragraphs in sustainability statements
a) Integrating due diligence into governance, strategy and business model	Chapter 1.2 Governance - 1.2.1 Administrative, management and supervisory bodies (GOV-1) Chapter 1.2 Governance - 1.2.3 Integration of sustainability-related performance in incentive schemes (GOV-3) Chapter 1.4 Management of Impacts, Risks and Opportunities - 1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
b) Involving stakeholders in all key phases of due diligence	Chapter 1.2 Governance - 1.2.2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2) Chapter 1.3 Strategy - 1.3.2 Interests and views of stakeholders (SBM-2) Chapter 3.1 Own Workforce - 3.1.2.2 Processes for engaging with own workers (S1-2) Chapter 3.2 Affected Communities - 3.2.2.2 Processes for engaging with affected communities (S3-2) Chapter 3.3 Consumers and End-Users - 3.3.1 Strategy: impacts, risks and opportunities (S4-2)
c) Identifying and assessing negative impacts	Chapter 1.4 Management of Impacts, Risks and Opportunities - 1.4.1 Double materiality analysis process (SBM-3) Chapter 1.4 Management of Impacts, Risks and Opportunities - 1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model (IRO-1)
d) Acting to address negative impacts	Chapter 2.2 Climate Change - 2.2.3.2 Actions and initiatives (E1-3) Chapter 3.1 Own workforce - 3.1.2.1 Policies related to own workforce (S1-1) Chapter 3.1 Own Workforce - 3.1.3 Workforce composition and attraction of group personnel (S1-4) Chapter 3.1 Own Workforce - 3.1.5 Worker welfare (S1-4) Chapter 3.2 Affected Communities - 3.2.3 Actions and initiatives on affected communities (S3-4) Chapter 3.3 Consumers and End-Users - 3.3.5 Access to quality information and responsible business practices (S4-1) Chapter 3.3 Consumers and End-Users - 3.3.7 Responsible finance (S4-4) Chapter 4.1 Business Conduct - 4.1.2.2 Corporate culture and business conduct policies (G1-1) Chapter 4.1 Business Conduct - 4.1.3.1 Prevention and detection of corruption and bribery (G1-3)
e) Monitoring the effectiveness of actions, and communications	Chapter 2.2 Climate Change - 2.2.5 Targets related to climate change mitigation and adaptation (E1-4) Chapter 3.1 Own Workforce - 3.1.3 Workforce composition and attraction of group personnel (S1-9, S1-17) Chapter 3.1 Own Workforce - 3.1.6 Workforce targets (S1-5) Chapter 3.3 Consumers and End-Users - 3.3.8 Targets regarding members and customers (S4-5) Chapter 4.1 Business Conduct - 4.1.3.1 Prevention and detection of corruption and bribery (G1-3) Chapter 4.1 Business Conduct - 4.1.4 Management of relationships with suppliers (G1-2)

1.2.5 Risk management and internal controls over sustainability reporting

[ESRS 2 GOV-5]

The Cassa Centrale Group has formalised a set of operational instructions and qualitative and quantitative controls to manage the risk inherent in the Consolidated Sustainability Statement information. The aim is to ensure the accuracy, completeness and reliability of ESG information provided. These controls are designed to ensure that the collection, validation and reporting of sustainability data are structured, consistent with reference standards and integrated with existing business processes.

Identification and assessment of risks related to Consolidated Sustainability Statement is carried out through a structured control process, which includes:

- **involvement of departments of the Parent Company, Subsidiaries and Affiliated Banks**, with the support of the Sustainability Reporting Officers;
- **definition of data collection and verification procedures**, which set out first-level controls performed by the responsible Departments and by Subsidiaries;
- **data review and validation by the External Relations and Sustainability Service**, which coordinates the entire process and ensures the consistency of information provided.

To support governance and monitoring of ESG issues, the Group has adopted a series of internal regulations aimed at ensuring structured oversight of the main processes impacted by sustainability. These regulations include:

- The **Group Sustainability Regulations**, governing the process for definition of the Group Sustainability Plan, functioning of ESG Steering Committees and related information flows between the Parent Company, Affiliated Banks and Subsidiaries;
- the **Planning and Management Control Cycle Regulations**, which define key processes related to the Group's strategic and operational planning, also in relation to ESG issues;
- the **Risk Management Function Regulations**, establishing the responsibilities, duties and organisational procedures of the Group Risk Management Function, ensuring monitoring of ESG risks and their integration into traditional risk-management frameworks;
- the **Group Regulations on Preparation of Consolidated Sustainability Reporting**, governing roles, responsibilities, duties and shared and uniform criteria for the planning, gathering, control and certification of Group sustainability data and information. These Regulations are accompanied by a Procedure with a more operational scope, divided according to the steps of the reporting process and the point for internal control of the process itself.

They are subject to periodic updates in the event of regulatory changes or developments in the Group's organisational structures.

The findings of risk assessment and controls are integrated directly into the process, which formalises the elements assessed, including:

- correctness and relevance of the ESRS indicators to be reported, in line with the double materiality analysis;
- completeness in terms of scope, clear presentation and data verifiability;
- consistency of reported data with other published documents.

The gathering of sustainability information forms an integral part of the Group's internal control system. To ensure the consistency and reliability of information reported, the process involves cross-functional collaboration and the adoption of standardised data-collection procedures with automatic and manual internal controls. The risk management system for ESG reporting has already been implemented, starting with this Report, through the implementation of mitigation strategies to ensure data reliability and compliance with regulatory requirements. These strategies include:

- data collection and validation procedures at all levels of the company, involving i) automatic checks aimed at identifying and reporting any data-entry anomalies to the Sustainability Statement Officer, ii) checks by compilers/contributors on

the completeness and accuracy of data and information, iii) verification by the Sustainability Statement Officers of the accuracy, consistency and completeness of data entered in data-collection tools;

- periodic internal audits to review the completeness and integrity of sustainability data, verifying that all information has been correctly reported;
- implementation of a system of continuous monitoring of ESG performance, in line with strategic objectives and ESRS requirements.

Progress in data collection and Consolidated Sustainability Statement is periodically submitted to the Risk and Sustainability Committee and the Board of Directors. The draft report is examined by the Risk and Sustainability Committee, after which the Chief Executive Officer submits it to the Board of Directors for approval with the consolidated financial statements. At the same time, the draft is shared with the Board of Statutory Auditors and the Independent Auditors, who carry out the appropriate checks to ensure compliance with current regulations.

1.2.6 The Group regulatory system

[ESRS 2 MDR-P]

In the context of its business activity, the Cassa Centrale Group has adopted various tools to ensure alignment with the values and principles of mutual credit cooperation. Specifically, the Group has adopted the “Cooperative Credit Charter of Values” and the Code of Ethics. The latter forms an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001, which Cassa Centrale Banca has applied since 2008 and which is periodically updated. Model 231 is discussed in detail in section “4. Information on Governance”, chapter “4.1 Business Conduct”, paragraph “4.1.2.2 Corporate culture and business conduct policies”.

These tools are accompanied by a structured policy framework for sustainability issues aimed at preventing, mitigating and remedying current and potential impacts, addressing risks and seizing opportunities. In this context, the Group has adopted specific environmental, social and governance policies, defining guidelines and principles to govern its activity and stakeholder relations.

These policies not only promote a culture of responsibility and transparency, but also translate concretely into the integration of ESG criteria into procedures, regulations and processes. In recent years, the Group has progressively reinforced its application of these principles, including them in key areas, such as the reduction of environmental impacts, selection of suppliers, granting of loans and other strategic areas. The model for interaction with local areas, rooted in continuous stakeholder engagement, leads to policy-making that considers relationships of proximity.

In 2025, the Cassa Centrale Group launched a project to update its policy system, with the aim of ensuring effective and structured management of all material impacts, risks and opportunities. This process ensures that all IROs identified are controlled through targeted, up-to-date policies, aligned with the evolving regulatory and strategic environment. Updates aim to strengthen the integration of ESG issues into business processes, ensuring that Group policies reflect the priorities identified in the double materiality analysis. The policies introduced detailed in the paragraphs that follow, which focus specifically on reporting issues.

GUIDELINES



CODE OF
ETHICS



CHARTER OF VALUES
FOR COOPERATIVE
CREDIT

MAIN ESG POLICIES



ANTI-CORRUPTION
POLICY



ENVIRONMENTAL
POLICY



POLICY
ON ARMS
BROKERING



GROUP POLICY FOR
THE MANAGEMENT OF
OCCUPATIONAL
HEALTH AND SAFETY



DIVERSITY POLICY



HUMAN RIGHTS
POLICY



REMUNERATION
AND INCENTIVE
POLICIES



GROUP POLICY ON ESG
ASPECTS IN RELATION TO
GRANTING OF LOANS

The document also introduces and illustrates additional policies beyond the ESG sphere, where these govern specific issues covered in Sustainability Reporting (e.g. Group Information Security Policy).

1.3 Strategy

1.3.1 Strategy, business model and value chain

[ESRS 2 SBM-1]

[ESRS 2 MDR-M]

Group Values and Mission

The Cassa Centrale Group is founded on a distinctive development model, in which diversity is considered a value and local identity a fundamental principle. Cooperative Credit has its origins in the late 19th century, when the first banking operations inspired by principles of cooperation and localism began to take shape, promoting community growth for 140 years.

In this context, since 1 January 2019, the **Cassa Centrale Banca Cooperative Banking Group** has operated as a set of mutual, local and independent Cooperative Banks built on principles of mutuality, sharing and independence. Cassa Centrale Banca, founded in 1974 by the 133 Rural Banks then operating in Trentino, acts as the Parent Company. For more information on the Group's structure and organisation, please refer to the dedicated section in the Report on Operations.

The Group's founding values are outlined in the Cooperative Credit Charter of Values and the founding principles and objectives of the Group, defined in **Article 4 of the Cohesion Contract**. These principles guide the actions of **Cooperative Credit Banks, Rural Banks and Raiffeisenkassen**, differentiating them from other forms of banking by their participatory governance model and their orientation towards mutual benefit.

The Group's values are reflected in the following fundamental principles, in line with the **Sustainable Development Goals** of the 2030 Agenda:

CHARTER OF VALUES FOR CREDITI COOPERATIVO AND AGENDA 2030			
THE PERSON IS KEY AND CENTRAL 	COMMITMENT     	AUTONOMY	PROMOTION OF PARTICIPATION    
COOPERATION 	USEFULNESS, SERVICE AND BENEFITS   	PROMOTION OF LOCAL DEVELOPMENT          	PERMANENT TRAINING 
SHAREHOLDERS      	DIRECTORS	EMPLOYEES	YOUNG ADULTS

Likewise, Art. 2 of the Articles of Association specifies the objectives and business purposes of the Cooperative Credit Banks, some of which can be linked directly to specific goals of the 17 SDGs established by the 2030 Agenda. The Articles of Association furthermore affirm how each Affiliated Bank, by choice, stands out "based on its own social orientation and decision to construct the common good".

Art. 2 ARTICLES OF ASSOCIATION OF THE AFFILIATED BANKS

"The purpose of the Company is to provide support to cooperative PARTNERS and members of the local COMMUNITIES in banking transactions and services, pursuing the improvement of their moral, cultural and financial conditions and promoting the development of cooperation and education in savings and pension planning, as well as social cohesion and responsible, sustainable growth in the local areas in which it operates."



The distinctive Cooperative Credit model

The cooperative nature of the Cassa Centrale Group gives rise to an original business model, with the following distinctive elements:

- **cooperative governance** - the principle of one-person-one-vote guarantees a democratic decision-making system based on broad-based participation. The Board of Directors is typically elected from among the members of the ownership structure;
- **ownership base** - **100% of cooperative members** reside and/or operate in the Bank's areas of operations;
- **localism** - at least **95% of** each Cooperative Credit Bank's **exposure** is within its local area;
- **prevalent mutuality** - more than **50% of exposure** is taken on by, or guaranteed by, cooperative members;
- **solidity** - at least **70% of profits** must be allocated to indivisible reserves, enabling capital strengthening;
- **promotion and development of cooperation**: **3% of profits** are allocated to dedicated mutual funds.

Residual shares of net profit may be allocated in accordance with the provisions of the Articles of Association or as resolved by the Annual General Meeting, allocating them to share revaluations, in compliance with cooperative regulations, to other reserves, to the distribution of dividends to members within the limits set out by regulations, or to charity and mutual-assistance funds.

As shown in the table below, the Affiliated Banks have proposed to allocate 86% of 2024 profits to legal and other indivisible reserves, 8% to charity and mutual-assistance funds, and 3% to mutual funds.

Breakdown of Affiliated Banks' net profit

ALLOCATION OF NET PROFIT		31/12/2024
Net profit in Euro		1,158,096,129
Allocation to:		
legal reserve and other indivisible reserves (excluding retained earnings/losses)		995,790,299
share repurchase reserve		2,200,000
retained earnings or losses/coverage of losses		6,701,201
mutual funds for the promotion and development of the cooperative		34,742,883
charity and mutual-assistance fund		92,275,104
dividends to cooperative members		8,393,428
refunds to cooperative members		17,307,627
share revaluations		435,588
other		250,000

Value chain

[ESRS 2 SBM-1]

The Cassa Centrale Group operates in all of Italy through the Parent Company's regional offices, offering proximity and service to 65 Cooperative Credit Banks, Rural Banks and the associate Raiffeisenkassen (hereinafter also the "Affiliated Banks") and other customer banks.

The Cassa Centrale Group is organised into the following regional areas:

- Trentino-Alto Adige Area;
- North East: Veneto and Friuli Venezia Giulia;
- North West: Lombardy, Piedmont, Aosta Valley and Liguria;
- Central: Emilia-Romagna, Tuscany, Umbria, Marche, Abruzzo, Lazio and Sardinia;
- South: Apulia, Basilicata, Calabria, Campania, Molise and Sicily.

Integration of the principles of environmental protection, social growth and economic development is central to the Group's strategy and is reflected at every stage of the value chain. The Group's operating model consists of four main links in the value chain, as depicted in the infographic below. The main organisational activities of the Cassa Centrale Group fall under "Own Operations", with the main service offerings pertaining to the "Loans" and "Investments and Insurance Distribution" links. All stakeholders and activities in the value chain are described in the following paragraphs.

VALUE CHAIN

	SUPPLIERS	OWN OPERATIONS	LOANS	INVESTMENT AND INSURANCE DISTRIBUTION
 LINKS IN THE VALUE CHAIN	▪ Consulting, IT, and security services ▪ Operational services ▪ Purchase of materials	▪ Design of products and services ▪ Services to Affiliated Banks (IT, debt collection)	▪ Member and customer deposits ▪ Loans to retail and corporate members and customers	▪ Proprietary and Third Party investments ▪ Insurance services for companies and individuals
 IMPACTED STAKEHOLDER	▪ Providers of consulting, IT and security services; operational services; procurement of materials. ▪ Local communities	▪ Affiliated Banks and Subsidiaries ▪ Employees	▪ BCC members ▪ Retail customers ▪ Corporate customers ▪ Local communities	▪ Members and Customers ▪ Parent Company and Affiliated Banks ▪ Local communities

Group companies operating in specific businesses are considered within the banking value chain.

Below is a description of the value chain. The corresponding data was gathered centrally via digital tools, using primary supplier and customer data, some of which was also acquired from external InfoProvider. Data was processed utilising management tools in compliance with confidentiality agreements and data protection is guaranteed by the Group's **Personal Data Processing Regulations**, in accordance with GDPR legislation.

Suppliers

The first link in the value chain involves the purchase of services essential to the Group's operations, including consulting, IT, security, operational services and procurement of materials. Stakeholders involved include the suppliers themselves and the local communities in which they operate.

Classification of suppliers considers the threshold of economic exposure and goods/services offered, with the categories of "marginal suppliers", with annual orders totalling less than EUR 20 thousand "ordinary suppliers", with annual orders between EUR 20 thousand and EUR 250 thousand, and "strategic suppliers", with annual orders over EUR 250 thousand. In 2024, purchase order transactions were made with more than 18,000 suppliers active in the Supplier Register. Of these:

- 84.4% received orders below the threshold of EUR 20 thousand in the financial year at Group level (marginal suppliers);
- 13.6% received orders between EUR 20 thousand and EUR 250 thousand in the financial year at Group level (ordinary suppliers);
- 2% received total orders exceeding EUR 250 thousand in the financial year at Group level or were involved in outsourced services (strategic suppliers).

Further details on supply-chain management and sustainability strategies applied to suppliers is provided in the section “4. Information on Governance”, chapter “4.1 Business Conduct”, section “4.1.4 Management of relationships with suppliers”.

Own operations

The second link concerns the design and delivery of products and services, as well as IT support and loan-recovery management for Affiliated Banks. In this phase, stakeholders involved include Affiliated Banks, Subsidiaries and Group employees.

Affiliated Banks, with a network of **1,491 branches** in **1,086 Italian municipalities**, play a strategic role in the value chain, acting as intermediaries for the Group’s services for local communities. The Parent Company’s strategic and operational support allows them to be more competitive and respond effectively to their customers’ financing and investment needs. For more details on branches and services, please refer to the section “3. Social Information”, chapter “3.2 Affected Communities”, paragraph “3.2.2 Processes for engaging with affected communities”.

As at 31 December 2024 personnel working for the Group consisted of 12,284 people throughout the country, as well as in Luxembourg, as shown in the table below.

Number of employees by geographical area for the reporting scope

NUMBER OF EMPLOYEES BY GEOGRAPHICAL AREA	31/12/2024	%
Trentino-Alto Adige	2,933	23.9%
North East	2,750	22.4%
North West	2,731	22.2%
Central	2,619	21.3%
South	1,233	10.0%
Foreign	18	0.2%
Total	12,284	100.0%

The range of products and services is divided into two main business areas:

- **services to Banks**, including strategic, operational and technological support for the efficiency and competitiveness of Group Banks. The Group also serves several local Banks (savings banks, local banks and private banks) as clients;
- **products and services for customers of Affiliated Banks**, with targeted financial solutions for families, businesses and institutions, including loans, investments and payments.

For more information on the structure of costs and revenues, please refer to section “4. Operating performance of the Cassa Centrale Group” in the Report on Operations.

Services to Affiliated Banks

Affiliated Cooperative Credit, Rural and Raiffeisenkassen Banks operate with a model that values proximity to customers and relationships. To promote development, the Parent Company and its Subsidiaries provide services dedicated to operational efficiency, innovation and risk management. Over time, Cassa Centrale Banca has consolidated its strategic support role, providing Affiliated Banks and other client banks with competitive solutions, innovative products and highly specialised consulting.

For further details on the **Cohesion Agreement** and the **Guarantee Agreement**, please refer to the **Report on Operations** and in particular to the section “Composition of the Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group”.

The Parent Company’s regional offices are located in Trento, with the Registered office and General Management, Padua, Udine, Brescia, Milan, Cuneo, Bologna, Rome and Bari.

Through its Subsidiaries, the Group operates in several areas:

- ICT and back office services, with Allitude S.p.A.;
- leasing and rental services, with Claris Leasing S.p.A. and Claris Rent S.p.A.;
- insurance and brokerage services, with Assicura Agenzia S.r.l. and Assicura Broker S.r.l.;
- collective asset management services, with Nord Est Asset Management S.A. (NEAM);
- consumer credit services, with Prestipay S.p.A.;
- other ancillary services with other companies in the value chain.



Allitude

Allitude is the Cassa Centrale Group company specialising in outsourcing of banking services and IT solutions for the financial sector.

Consolidated expertise, continuous technological innovation and careful management of IT security, has made Allitude a benchmark in the provision of IT and back-office services supporting Affiliated Banks of the Cassa Centrale Group throughout Italy.

Through an integrated offer, the company provides advanced solutions for management of technological infrastructure, evolution of banking information systems and optimisation of operational processes, guaranteeing efficiency, reliability and business continuity.

Assicura Agenzia and Assicura Broker

Assicura Agenzia is the Subsidiary of Cassa Centrale Banca that develops bank insurance products, offering concrete solutions for targeted cover and risk-management requirements as well as pension and savings needs of households and small and medium-sized enterprises. This insurance company of the Cassa Centrale Group specialises in insurance products for private individuals and companies.

With its wide range of products and services, Assicura Agenzia is a leader in the distribution of insurance solutions, operating through the Affiliated Banks of the Cassa Centrale Group across Italy.

Its range includes policies offering cover to individuals, families, assets and professional activities, with customised solutions meeting customers' security and pension requirements. Through its innovative model and qualified advisory service, the company guarantees protection and support for every stage of life.

This sits alongside the services offered by Assicura Broker, a subsidiary of Assicura Agenzia specialised in consultancy and the management of risks that require tailor-made solutions with targeted expertise. Assicura Broker searches the entire national and international insurance market for the most suitable cover for specific needs and guarantees correct application of policies in the event of a claim.

Prestipay

Prestipay is a Cassa Centrale Group company specialising in the Consumer Loans segment.

Its specialised expertise, precise risk control and a comprehensive range of products and services, make the company a leader in the creation of Consumer Credit services distributed to customers by the Affiliated Banks of the Cassa Centrale Group throughout Italy. Through the "Prestipay" brand, the Company offers a complete range of personalised and accessible financing solutions including personal loans, flexible loans and salary or pension-backed loans.

Claris Leasing and Claris Rent

Claris Rent and Claris Leasing are the Cassa Centrale Group companies specialising in long-term rental and leasing, offering flexible and innovative solutions for individuals, businesses and professionals. Both companies operate with a sustainability and efficiency-oriented approach.

Claris Rent, a subsidiary of Claris Leasing, provides long-term rental services, giving customers access to vehicles and capital goods without tying up capital, offering customised formulas including assistance and complete management. Claris Leasing offers financial and operational leasing solutions to support business growth and facilitate access to capital goods and vehicles, with tailor-made offers for optimised financial planning.

With their comprehensive offer and highly specialised services, Claris Rent and Claris Leasing are trusted partners for mobility and financial innovation, supporting the economic development of the areas in which they operate.

NEAM

NEAM S.A. (Nord Est Asset Management) is the asset management company of the Cassa Centrale Group, specialised in innovative and sustainable investment solutions for private, institutional and corporate clients. NEAM operates with a strategic approach geared towards long-term value creation.

With consolidated expertise and a rigorous management model, the company offers a diversified range of investment funds and customised solutions that incorporate ESG criteria, aimed at balancing returns and sustainability. Implementing careful market analysis and constant risk monitoring, NEAM helps Cassa Centrale Banca, Affiliated Banks and, through them, customers, to build efficient and responsible portfolios.

Products and services for customers of Affiliated Banks

The Group's Affiliated Banks offer a wide range of customer products and services, with a focus on sustainability and economic growth in their local areas. The Cassa Centrale Group provides banking and financial solutions to cooperative members and customers, also acting as a contractual counterparty in the provision of various services. The range is divided into specific business lines, specifically:

- **Loans and finance:** access to credit is central to supporting economic and social development. The Group promotes sustainable and responsible lending through:
 - **mortgage loans and green loans**, aimed at energy efficiency, renewable energy and sustainable mobility;
 - **loans to businesses**, with tailor-made solutions for business growth and innovation;
 - **microcredit and financial-inclusion solutions** to support small and local businesses;
 - **ordinary and pooled loans**, including loans with favourable terms;
 - **leasing and long-term rental** to facilitate productive and innovative investments;
 - **management of impaired loans** and valuation of real estate for sustainable asset management;
 - **consumer loans**, through Prestipay S.p.A., to meet the financial needs of families;
 - **assistance regarding the National Recovery and Resilience Plan (NRRP)**, with consultancy services and support in accessing funds.

- **Investment and asset management:** Affiliated Banks offer investment and asset management solutions that incorporate ESG criteria and sustainability, while ensuring reliability, continuity and operational efficiency. The Cassa Centrale Group provides an intermediation service enabling Affiliated Banks to offer a wide range of financial solutions, increasingly focusing on sustainable products. The finance segment offering includes:
 - **sustainable NEF funds** with an increasing quota in investment portfolios;
 - **ESG asset management**, balancing returns and environmental impacts;
 - **institutional asset management**, for professional and diversified management of investments;
 - **investment funds**, with solutions that integrate sustainability principles;
 - **online trading**, for direct access to financial markets, through the promotion and placement of the Directa platform and Masterchart service;
 - **advanced financial consulting**, with customised services for efficient management of savings;
 - **insurance and insurance brokerage**, for asset protection and financial planning.
- **Payments and banking services:** the Group's Affiliated Banks offer advanced payment and transaction management solutions, providing a comprehensive service for private and corporate customers. The Cassa Centrale Group supports Affiliated Banks with management of collection and payment, interbank settlements and the issue of innovative payment instruments. The range includes:
 - **payment cards and POS services, e-money and digital services**, for retail and corporate customers, with innovative tools for management of financial transactions;
 - **digital banking**, for omnichannel access to banking services;
 - **collection and payment services**, with efficient and integrated transaction management solutions;
 - **treasury services for Public Bodies**, supporting the financial transactions of institutional bodies;
 - **foreign services**, including channelling international payments, management of documentary credit and international import/export guarantees;
 - **centralised services for Banks**, to optimise payment and settlement operations.

As part of its operations, the Cassa Centrale Group has progressively increased its commitment and sought to promote customer awareness of products and services with a social and environmental purpose:

- granting sustainable loans, i.e., providing funding only for projects that have a positive impact on the community, and avoiding projects that can cause significant harm;
- offering "green" products such as "green" loans and "green" bonds;
- offering investment products that incorporate ESG and environmental-impact-assessment criteria, consistent with customer sustainability preferences.

Credit

The third link in the value chain regards the management of member and customer deposits as well as lending to retail and corporate customers. Credit activity is a central pillar of the Group's business model. The impact of lending extends to the members of the Cooperative Credit Banks, retail and corporate customers, as well as the local communities benefiting from financial support offered.

One of the most significant changes introduced in 2024 was the adoption of a structured commercial segmentation model, aimed at increasing the effectiveness of lending strategies and promoting sustainable and inclusive development.

For private customers, this model is based on total funding bands, with the following categories: Low Mass Base, Low Mass Active, High Mass, Low Affluent, High Affluent and Private.

For corporate customers, the classification is determined by turnover and agreed funding, dividing companies into: Small Economic Operators, Small Businesses and Enterprises.

This segmentation has enabled detailed mapping of the distribution of the Group Banks' corporate customers by sector, highlighting the breakdown of client companies:

- 21% in commerce,
- 18% in services,
- 14% in construction,
- 12% in manufacturing,
- 10% in agriculture and animal husbandry,
- 10% in accommodation and catering,
- 8% professionals,
- 3% in public services,
- 3% in logistics,
- 1% in utilities.

During the reporting period, the number of Group customers increased for almost all sectors, with particularly significant growth across all sectors except commerce.

With reference to the stock of gross loans at the end of 2024, volumes totalled EUR 50.7 billion disbursed, with:

- 51.3% to families, associations and third-sector organisations,
- 35.9% to small and medium-sized enterprises,
- 10.9% large enterprises,
- and the remaining 2% to Public Authorities and financial companies.

The breakdown of loans by business sector is as follows:

- 29.6% to manufacturing activities,
- 22.8% to construction and real-estate companies,
- 18% to commercial activities,
- 12.4% to other services,
- 11.5% to the hotel and catering sector,
- and 5.7% to agriculture.

Investment and insurance distribution

The fourth link concerns the management of investments, including own and third-party investments, and the provision of insurance services to individuals and companies. Stakeholders include cooperative members and customers, the Parent Company and Affiliated Banks, as well as local communities.

Downstream, the Group serves both end customers, including families, businesses and public authorities, and Affiliated Banks. The service offering is designed to provide financing and investment solutions with a sustainable approach.

Loans include mortgage loans, consumer credit, leasing and long-term rental, with a focus on green products to support the ecological transition. Investments include insurance services, asset management, investment funds and advanced financial consultancy, with a focus on the incorporation of ESG criteria.

Associates and their business

The reporting scope of Cassa Centrale Group includes Associated Companies, consolidated at equity, over which Affiliated Banks hold the majority of voting rights in ordinary Annual General Meetings and exercise operational control. Although they fall outside core banking business, these companies were acquired mainly through Affiliated Banks as part of debt-collection operations and to support investments in the local areas where the Group operates.

These include:

- **Società Agricola Terre Della Rocca S.r.l.**, operating in the viticulture industry, is controlled by Banca di Bologna Real Estate S.p.A. (Banca di Bologna);
- **Azienda Agricola Antoniana S.r.l.**, acquired by Cassa Padana, was founded as a dairy farm in a small town outside Brescia. As of 2021, it ceased direct management of operations while retaining ownership of the land, on which an agricultural lease was signed with an option to redeem the land;
- **Agorà S.r.l.**, a real-estate company of Cassa Padana, was acquired as part of credit-recovery operations, and the business unit was sold during the year.

Group Strategy

[ESRS 2 SBM-1]

Since it was founded, the Cassa Centrale Group has placed sustainability at the heart of its strategy, progressively evolving its approach for the integration of advanced ESG governance models and working towards the definition of ESG governance solutions.

With a view to increasing integration of Group strategy with business and operations, for the first time the 2024-2027 Strategic Plan includes projects of the Sustainability Plan (SP). This includes objectives of the Strategic and Operational Plan on Climate and Environmental Risks (developed in response to the European Central Bank's Supervisory expectations). The Group's Multi-Year Strategic Plan and the Sustainability Plan are reviewed and updated annually.



Through the Strategic Planning process, the Parent Company ensures integration and synergy of Group planning — the Multi-Year Strategic Plan and the Annual Operating Plan — and the sustainability objectives defined by the Sustainability Plan, also taking into account context in which the Group operates and exposures with reference to sustainability, climate-change and environmental risks and opportunities.

The Cassa Centrale Group integrates sustainability into its strategies, developing solutions for responsible finance and promoting investments with positive impacts on environment and society. Key initiatives include:

- **sustainable finance** - development of ESG products and services to promote responsible investment;
- **inclusive governance** - Affiliated Banks' active participation in defining strategies, ensuring independence and technical support;
- **capital strength** - prudent management of financial resources, with a **CET1 ratio** among the best in the national banking system;
- **community relations** - support for local initiatives and enhancement of the Group's social role in the local areas in which it operates.

Through this approach, Cassa Centrale Banca, together with its subsidiaries, ensures the stability and efficiency of Affiliated Banks, contributing to the economic and social growth of communities.

In this regard, the Parent Company's Planning Department coordinates the preparation and monitoring of the Multi-Year Strategic Plan and the Annual Operating Plan (of the Group and the Parent Company), taking into account the relevant goals among those defined in the Sustainability Plan and integrating the results of specific ESG analyses into planning activities. For definition and updating of the Plan, the Parent Company's ESG Steering Committee and the ESG and Institutional Relations Department evaluate synergies with the Multi-Year Strategic Plan prepared by the Planning Department. The Budget & Planning Service (within the Planning Department) ensures complete consistency between the defined objectives and the risk-assumption and capital-allocation policies set out in the Multi-Year Strategic Plan and the Annual Operating Plan, including the strategic sustainability goals defined in the Sustainability Plan.

More details on the Group Sustainability Plan can be found in the section "1. General Disclosures", chapter "1.4 Management of Impacts, Risks and Opportunities", paragraph "1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model".

Euricse and the Best Practices questionnaire

Internal monitoring and sharing of initiatives for environmental and social sustainability continues. The survey of best practices, now in its fourth edition and in partnership with Euricse, is based on a questionnaire gathering information on the various initiatives launched within the Group, and was carried out in the summer of 2024. This involved all 65 Affiliated Banks, Cassa Centrale Banca and certain Subsidiaries. Gathering this information on initiatives makes it possible to harness the wealth of experience gained and encourages dialogue and cooperation between the various Group entities.

UN Global Compact participation

In 2024, the Cassa Centrale Group renewed its participation in the UN Global Compact, the United Nations initiative launched in the early 2000s to promote sustainable business policies and responsible business practices.

The UN Global Compact pursues two complementary objectives: on the one hand, to integrate these principles into corporate strategy and daily activities of participating organisations, and on the other, to promote dialogue and coo-

peration with all relevant stakeholders, while supporting achievement of the Sustainable Development Goals (SDGs) set by the United Nations for 2030.

The Group undertakes to meet its reporting obligation of informing its stakeholders of its progress in implementing the Ten Principles and supporting the broader UN SDGs through its Communication On Progress (COP). In 2024, the Group prepared its Communication on Progress on the results achieved during 2023, in relation to the integration and implementation of the Principles enshrined in this framework.

1.3.2 Interests and views of stakeholders

[ESRS 2 SBM-2]

In 2024, the Cassa Centrale Group continued reinforcing activity aimed at listening to and engaging with stakeholders, further consolidating dialogue as a strategic tool for the creation of long-term value, both tangible and intangible. Proximity to local areas, members and customers is a distinguishing feature of the Group, which works closely with communities on a daily basis in order to respond effectively to their needs, taking them into account in the definition of Group strategy.

To ensure structured interaction, the Group adopts dedicated procedures for communication in special circumstances, such as critical events or crises, ensuring transparency and responsiveness. Additionally, the Group Code of Ethics and Group Policies set out guiding principles for stakeholder relations, reinforcing the Group's commitment to social responsibility and cooperation. Structured stakeholder engagement is planned for implementation in 2025.

Engagement of internal and external stakeholders aims to ensure dialogue, transparency and collaboration, promoting strategic alignment and strengthening ties with the local area. Through a combination of digital tools, dedicated events and institutional communication channels, the Group fosters collaboration, dissemination of best practices and alignment of all parties involved, thus enhancing the efficiency and sustainability of the operating model.

The Group tracks stakeholder engagement through feedback analysis, performance monitoring and direct contact, enabling it to adapt strategies and policies to respond swiftly to emerging needs and increase the effectiveness of shared initiatives. The administrative, management and supervisory bodies receive regular updates on stakeholder opinions and interests, ensuring that this information is integrated into decision-making processes. Stakeholder expectations and concerns are analysed through dedicated reports and specific meetings, ensuring constant alignment of corporate strategy and local needs. In addition, the administrative, management and supervisory bodies receive updates on the various sustainability initiatives launched to respond, where this is deemed appropriate, to the interests and opinions of key stakeholders (e.g. results of employee, member or customer surveys, and ESG preferences expressed by customers through the MiFID questionnaire).

The Cassa Centrale Group's operational and strategic planning process is based on multi-level dialogue with stakeholders, ensuring structured and participatory engagement. In particular:

- Affiliated Banks represent a direct channel for feedback from cooperative members and end customers, guaranteeing proximity with the local area;
- the Directors' Committee, chaired by the Chief Executive Officer, is composed of 12 members from the General Management of the Group's Affiliated Banks, identified according to the procedures and criteria established in the Group Regulations on the Directors' Committee. It gathers requests from Affiliated Banks established on the ground and makes independent proposals to the Parent Company regarding management of the Cooperative Banking Group. It also has an advisory function with reference to Group Policies and Regulations and any further non-binding opinions requested from the Committee by the Parent Company;
- Regional Annual General Meetings allow the Parent Company to gather input directly from each area, identifying their specific requirements and responding in a targeted manner to local needs.

This proactive approach enables interaction with a range of stakeholders, both internal and external, through different channels and tools, as set out below.

Stakeholders	Aim of engagement	Tools and channels of communication
Internal stakeholders		
Affiliated Banks	Ensure a constant flow of information and strategic updates, promote sharing of best practices and strengthen operational cooperation between Affiliated Banks. Strengthening of tools for digitalisation and innovation of banking processes and the adoption of sustainable solutions that increase efficiency and customer satisfaction.	■ Extranet/documents portal ■ Institutional / information websites and related dedicated sections ■ Portals and dedicated Communities of Practice ■ Reports, financial statements ■ Regional Shareholders' Meetings ■ Theme-based roadshows, targeting Management and specialist technical departments ■ Dedicated events/meetings ■ Information and statements ■ Daily press review
Subsidiaries	Strengthen coordination with Subsidiaries, ensure strategic and operational alignment and improve information sharing. Support for the integration of ESG criteria into business strategies, more effective risk management tools and investment in digitalisation.	■ Extranet/documents portal ■ Institutional / information websites and related dedicated sections ■ Portals and dedicated Communities of Practice ■ Reports, financial statements ■ Daily press review ■ Dedicated meetings
External stakeholders		
Affiliated Banks' customers	Map the key challenges and opportunities of Affiliated Banks' end customers/users in relation to sustainability and develop financial products and services aligned with their needs. Customers are particularly sensitive to the provision of social and environmental products, costs of banking services, and sustainable investments.	■ Institutional / information websites and related dedicated sections ■ Press releases ■ Inbank - Internet banking ■ Information request form ■ Active social networks
Parent Company shareholders	Ensure transparency, gather feedback and share the Group's strategic and financial objectives. Shareholders expect sound governance, careful management of financial and non-financial risks, clear reporting on sustainable performance and a growth strategy geared towards long-term value creation.	■ Shareholders' Meeting ■ Reports, financial statements and press releases ■ Institutional website
Cooperative members of the individual Affiliated Banks	Promote active involvement of Cooperative Members of individual Affiliated Banks in strategic decisions and strengthen their sense that they are part of the credit cooperative. Members expect transparency on development strategies, a fair economic and social return, initiatives supporting mutuality and cooperation, as well as a strong commitment to regional sustainability and support for local communities.	■ Annual general meeting ■ Institutional / information websites and related dedicated sections ■ Hard copy and online house organ, periodic newsletters ■ Social Networks ■ Intermediary local consultation bodies (e.g., Partners Councils, Area Committees, etc.) ■ Area meetings prior to Shareholders' Meetings ■ Dedicated meetings on cultural and current issues ■ Committees and Young Member Groups

Stakeholders	Aim of engagement	Tools and channels of communication
Employees and family members	Incorporate the perspectives of employees through workers' representatives, improve corporate welfare and promote an inclusive and participative corporate culture. Major topics include organisational well-being, homeworking, inclusion, professional development opportunities, fair pay policies and sustainable mobility for employees.	■ Continuous dialogue and feedback with the Human Resources functions ■ General analysis of resource needs/working climate surveys ■ Corporate welfare initiatives ■ Training ■ Intranet and specific platforms ■ Institutional / information websites and related dedicated sections ■ LinkedIn page of Parent Company ■ Dedicated events
Trade unions	Ensure dialogue and engagement on working conditions. Trade unions expect a concrete commitment to improving working conditions, open discussion on collective bargaining, greater protection of occupational health and safety, and more inclusive and employee-oriented company policies.	■ Discussions and meetings with the interested parties, supporting the Affiliated Banks, the Subsidiaries and Cassa Centrale Banca ■ Dialogue with workers' representatives, as provided for in Legislative Decree 125/24, through the Group Trade Union Delegation
Third Sector, Authorities and Institutions (local authorities, general governments, regulators and trade associations)	Exercise local commitment and presence to promote social and sustainable development initiatives. The focus is on collaborating on financial-inclusion projects, promoting ethical and sustainable finance, supporting environmental and social initiatives, participating in territorial and infrastructural development, and enhancing the cooperative culture.	■ Meetings with representatives of local institutions and non-profit organisations ■ Meetings and events in the Local Area, at central and peripheral levels ■ Participation in work groups, round tables and technical committees ■ Regional events and partnerships in local initiatives ■ Support to social actions or projects ■ Specific agreements and protocols ■ Support for conferences ■ Institutional / information websites and related dedicated sections
Suppliers of goods and services	Ensure responsible management of suppliers, promote sustainable procurement practices and ensure service quality. Suppliers expect transparent and fair procurement processes, digital innovation tools to improve business relationships and stability in long-term partnerships.	■ Institutional/information websites/related dedicated sections ■ Meetings/phone calls ■ Training ■ Focus on local suppliers ■ E-Procurement ■ Periodic reporting
Means of communication	Promote transparency and dissemination of information and enhance corporate reputation. Key topics include institutional and financial communication, transparency in ESG reporting, raising awareness of sustainability issues, combating misinformation and increased use of digital channels for engagement with all stakeholders.	■ Interviews with top management ■ Press releases ■ Press conferences and regional events dedicated to spreading information of interest ■ Media Area of the institutional website containing press releases, press kits and institutional images ■ Social networks (Group LinkedIn) ■ External Relations and Sustainability Service

1.4 Management of Impacts, Risks and Opportunities

1.4.1 Double materiality analysis process

[ESRS 2 IRO-1]

The **Cassa Centrale Group** identifies and manages the most relevant sustainability issues through a **Double Materiality Analysis**. This identifies the **impacts** generated, or potentially generated, on the economy, society (including human rights) and the environment, as well as the **risks and opportunities** that these factors represent for the business model. This process was carried out in accordance with European reporting principles and the guidance provided by EFRAG (European Financial Reporting Advisory Group) in the Implementation Guidance “Materiality Assessment”, and is updated annually.

In 2024, on the basis of assessments from the previous year and in the absence of any major events that could significantly alter findings, the analysis was supplemented and refined, with an approach that made it possible to strengthen the connections between relevant impacts, risks and opportunities. The process was carried out with particular involvement of the Risk Management Function (detailed below), ensuring alignment with the Group’s risk-management methodologies. The assessments performed made it possible to identify the material topics and sub-topics, which form the basis for preparation of the 2024 Consolidated Sustainability Statement and updating of the Sustainability Plan.

Assessments considered two aspects:

- **Impact materiality:** impacts, whether current or potential, positive or negative, that the organisation generates or could generate on the economy, society (including human rights) and the environment, throughout the entire value chain, including upstream and downstream activities directly attributable to the Group, including through products, services and business relationships;
- **Financial materiality:** risks or opportunities that could affect the Group’s cash flows, development, performance, competitive positioning and cost of capital in the short, medium or long term.

In line with ESRS guidance, both assessments take into account impacts, risks and opportunities (IROs) in the short, medium and long term, considering the entire value chain, including business relationships and associated stakeholders, even in the absence of direct contractual relationships.

Double Materiality Process

The process for defining and updating material impacts, risks and opportunities (IROs) for 2024 included the following steps:



Phase 1: Context analysis

The first phase of the process focused on analysing the business model, including location and services provided, value chain and reference context, with particular attention to the dynamics of the banking and financial market. This process considered both the internal business and operations of the Group, and the external context, including key ESG trends and regulatory developments. Strategic corporate documents, such as the Code of Ethics, internal policies and the Group's commitments were also analysed, along with the ESRS disclosure requirements. The needs and issues identified through interaction with stakeholders during the year via various communication channels and regular meetings were also assessed. Finally, the analysis used competitor benchmarks and media searches to identify the most relevant emerging themes in the banking sector.

As part of the Double Materiality Analysis, the Group also conducted qualitative analyses regarding environmental issues that were not identified as "material".

E2 IRO-1 With regard to pollution, company sites and operations along the value chain were considered.

E3 IRO-1 For water and marine resources, the analysis included all company sites within the scope of consolidation, as well as activity along the value chain.

E4 IRO-1 For biodiversity and ecosystems, considering the characteristics of the business model, no significant interrelationships were identified.

E5 IRO-1 Finally, with regard to resource use and circular economy, the Group analysed its operations centred on the use of electronic equipment, such as portable computers, monitors, company mobile devices and accessories (e.g. mice and keyboards).

Phase 2: Identification of potentially material impacts, risks and opportunities

The second phase of the process was aimed at identifying the IROs related to the Group's activities. These were categorised according to the topics listed by the CSRD and the European Sustainability Reporting Standards (ESRS) and, in particular, in correlation with the topics, sub-topics and sub-sub-topics set out in ESRS1.

While identifying IROs, the Cassa Centrale Group considered the dependencies of impacts in relation to resources and business relationships. The Group assessed interrelationships between natural resources, e.g. water or air, and relations with stakeholders, such as employees, cooperative members and customers, in order to identify connections between negative and positive impacts and risks and opportunities.

Phase 3: Assessment and approval of findings

The main impacts, risks and opportunities (IROs) identified were subjected to an assessment process conducted by the main functions of the Parent Company, starting with findings from stakeholder engagement in 2023. Although a new structured phase of stakeholder engagement was not initiated in 2024, the validation of assessments was confirmed by responses to the questionnaire available on the Parent Company's website, which gives stakeholders the opportunity to express their view of the impacts generated by the Group. The responses confirmed the consistency of previous assessments, highlighting the absence of significant events or changes from the previous year and ensuring continuity in the identification of material topics for 2024.

In accordance with reporting standards, an assessment was made for each impact, risk and opportunity (IRO) based on significance/magnitude and, for potential IROs, also on probability of occurrence. In assessing impacts, the Cassa Centrale Group considered gross impacts, i.e. prior to any mitigation actions, and did not take into account any offsets generated by positive impacts on people and the environment.

A list of the criteria considered to determine the materiality of impacts is provided below.

- **significance:** measures the degree of severity based on the scale and scope of the impact, considering:
 - **scale:** measures the severity of a negative impact or the level of benefit of a positive impact on people or the environment;
 - **scope:** assesses the geographical reach or the number of people potentially affected by the impact;
 - **irremediable character** (only for negative impacts): indicates the complexity of remedying or neutralising a harmful impact;
- **probability** (for potential impacts only): measures the likelihood of an impact occurring within a given time horizon.

The following variables were used to assess financial risks and opportunities:

- **probability:** indicates the possibility that a financial risk or opportunity will arise;
- **magnitude:** measures the impact of a financial risk or opportunity on the Group's cash flows, development, performance, positioning, cost of capital or access to loans in the short, medium or long term. For financial risks, the ability of a risk to generate losses of varying degree, to the point of jeopardising the prudent management of the business, was assessed. For financial opportunities, the ability of a risk to generate economic benefits, such as increased revenues or cash flow, reduced cost of capital or improved access to loans, was estimated.

The significance of IROs is assessed on a scale of 1 to 4, where 1 represents the lowest materiality and 4 the highest.

The materiality threshold was determined using a matrix that combines the significance of each IRO — assessed on the basis of degree, scope and irremediable nature — or magnitude of the IRO with the probability of occurrence.

For each issue listed by the ESRS, the negative or positive impact, risk and opportunity with the maximum score was identified. For an IRO to be considered material, it had to score 3 or higher. This threshold represents the level above which an IRO is material for the Group, with potentially significant effects on business or financial performance. In contrast, IROs with a score below 3 were classified as non-material or of limited relevance, as they were characterised by low probability or low magnitude.

The materiality threshold was calibrated to balance IROs that, while having a medium probability, have a significant magnitude, and those that, while having a low probability, could generate significant impacts on the environment, communities, people or the Group itself. The results of the double materiality analysis were submitted to the Parent Company Board of Directors for prior approval.

Risk assessment by Risk Management

In the assessment of financial materiality, specific areas of the Group's value chain were considered — the "Suppliers", "Own operations", "Loans" and "Investments" clusters — making it possible to analyse potential upstream and downstream risks. Risk Management assessed the financial materiality of risks within a quantitative/qualitative assessment framework, considering gross risks, which is classified on a scale of 1 to 4, as described above.

Cassa Centrale Group's risk identification process takes into account ESG risk dimensions assessed as specific physical and transition risk factors in terms of their influence (positive or negative) on traditional risks already incorporated in the internal risk management framework.

ESG risks concern possible negative financial consequences that could affect the Group, as a result of existing or potential impacts of ESG factors on counterparties or assets subject to investment. Specifically:

- climatic and environmental factors related to the quality and functioning of the natural environment and its systems include factors such as climate change, biodiversity, energy consumption, pollution and waste management. Depending on the nature, pace and objective of these changes, their impacts may vary in terms of different types of traditional financial and non-financial risks, including credit and counterparty risk, market risk, liquidity and funding risk, operational risk, portfolio real-estate risk, reputational risk, and strategic and business risk;

- social and governance factors, in relation to operational, reputational, strategic and business risk, revolve around the rights, welfare and interests of individuals and communities, and include governance provisions for environmental and social factors in counterparty policies and procedures.

The annual process of identifying material risks for the Group involves several interconnected stages. Firstly, the Risk Management Department initiates ongoing analysis of significant assets, exposures and legal entities to identify potentially material risks. Risks are then short-listed, establishing their hierarchy and taxonomy. After this mapping, the organisational structure necessary for management and monitoring of material risks is defined, ensuring continuous monitoring.

For IROs that are not included in the material-risk assessment process, additional qualitative/quantitative assessments were conducted on the basis of:

- analysis of the basis of operational losses recorded in the Group's internal Loss Data Collection database;
- analysis of synthetic indicators (ESG scores) that measure adequacy with respect to the factors suggested by the EBA, i.e. information areas to be taken into account in ESG assessment, on the basis of information from various authoritative data sources (ISTAT, MeF, Eurostat, ISPRA, RED Risk S.p.A., etc.). Information gathered through questionnaires distributed amongst Group customers was integrated into the individual EBA factors of the ESG score, which thus acquires greater accuracy as the questionnaire is completed and updated, either by overwriting the variables determined through analytical methods or by introducing new variables into the EBA factor assessment.

The sustainability risk assessment was conducted by Risk Management on the basis of a combination of several approaches, in order to capture both qualitative and quantitative aspects, adapting to short and long-term risks. Assessment tools include:

- i. analysis of climate-change scenario;
- ii. analysis of historical evidence (operational risk related to ESG issues);
- iii. analysis of synthetic scores for individual risk factors;
- iv. expert assessments of long-term economic impacts.

The climate risk assessment process is currently integrated into the Group's overall risk management framework, which is described in the following paragraph. However, as far as social and governance risks are concerned, the integration process is still being developed. At present, the Group does not possess advanced forecasting and scenario analysis tools to assess the long-term business impacts of social risks, nor simulation models enabling robust analyses of these aspects. Nevertheless, the process detailed here is judged, on a best effort basis, to be the best and most comprehensive framework of analysis currently available for formal adoption by the Group for assessment of these types of risks.

Climate and environmental risk assessment

The Group's main climate and environmental impacts relate to the value chain and primarily to loans to customers. In addition, the Group has identified non-material impacts related to internal energy consumption, resulting from the use of air conditioning, heating and lighting systems in buildings, as well as from company mobility. This consumption generates greenhouse gas emissions, a key environmental challenge.

Management and reduction of environmental impacts require a balanced and practical approach, aimed at minimising negative effects and maximising positive ones. Whilst the implementation of sustainable practices requires significant upfront investments that can have a negative effect on short-term profitability, the Cassa Centrale Group views the ecological transition as an opportunity. In the long term, this transition is seen as a means to reduce company operating costs through efficient use of resources and prevention of risks associated with climate change.

The Group has developed a structured process to identify, assess and integrate climate risks and opportunities into all of its operations, considering both the physical risks associated with extreme climate events and the challenges and opportunities arising from transition to a low-carbon economy.

It should also be noted that the process of identifying, assessing and managing climate and environmental risks is integrated into the overall process of identifying material risks and the resulting risk management processes.

Similarly, transition opportunities are constantly monitored to ensure that the Group can promptly adapt to new regulations, exploit market opportunities and implement sustainable technologies.

In fact, as mentioned in chapters “3.5 ECB DECISION - CLIMATE AND ENVIRONMENTAL RISKS” and “6.5 CLIMATE AND ENVIRONMENTAL RISKS” of the Report on Operations, following the “ECB Decision”, the Group has formalised a process for identifying and assessing climate and environmental risks. See these chapters for further details. As part of its supervisory functions, the ECB has progressively strengthened its approach to climate risk management, imposing the obligation on financial institutions to assess, manage and ensure transparency on these aspects. This analysis presents an overview of the impact of short, medium and long-term Climate and Environmental (C&E) risks.

Due to the nature of the Group’s business, the C&E risk materiality analysis is performed on all risks, but with a focus on credit, market, operational, liquidity and financing, real-estate portfolio, strategic and business, litigation and legal, and reputational risks, viewed from the perspective of economic activity (i.e. sub-sector), geographical location and Group Bank.

The methodology adopted by the Cassa Centrale Group to identify climate and environmental risks is integrated into the methodological framework already defined in the “Group Regulations on the Identification of Material Risks”, which continues to be the main reference for all recognition and mapping of material risks, including those related to climate and environmental aspects. In line with Basel Committee recommendations, the Group has decided not to establish a new Tier 1 financial risk category in the Risk Map. Instead it considers climate and environmental risks as lower-level risks within the existing financial categories, such as credit risk, market risk, operational risk, liquidity and funding risk, real-estate risk of the property portfolio, and strategic and business risk.

Below is an overview of the potential impacts of physical and transition risk factors within the traditional risk categories.

Risk	Risk type	Description
Credit and counterparty risk	Physical risk and transition risk	Credit and counterparty risk refers to a counterparty’s ability to meet its financial obligations. In this sense, climate change affects this capacity mainly through two channels: first in terms of changes in policies, regulations or market dynamics that may alter corporate creditworthiness and credit quality; and second in terms of the reduction in the value of real estate pledged as collateral resulting from the occurrence of physical risk events. The impact analysis focuses on the portfolios for corporate clients and individual customers. For companies, risk ratios based on balance-sheet indicators and business-related variables are used as proxies to estimate changes in Probability of Default (PD) and to calculate the impact in terms of Expected Credit Loss (ECL). For private individuals, on the other hand, the analysis considers the forecast delta value of one-year PD.
Market risk	Transition risk	Closely tied to changes in regulations, technology and behaviour that may influence asset prices and values. The impact analysis focuses on the Group’s own securities portfolio, taking Climate VaR (CVaR) as indicator, and with a focus on sovereign and corporate securities.
Liquidity and funding risk	Physical risk and transition risk	Resulting mainly from: i) changes in policies, technologies and consumer preferences oriented towards sustainability and reduction of carbon emissions, and ii) physical risk, the impact of which could, for example, materialise in terms of withdrawal of liquidity from customers’ current accounts to deal with potential damage caused by the occurrence of climate events. Analysis of impacts focuses on components most exposed to both physical and transition risk, such as demand deposits, instalment loans at maturity and irrevocable margins. A percentage increase in cash outflows and/or a reduction in cash inflows is associated with each class of climate and environmental (C&E) risk.
Operational risk	Physical risk and transition risk	Analysis of impacts focuses on operational losses from events related to climate and environmental (C&E) risks, recorded through Loss Data Collection and the Risk Control & Self Assessment process.
Real estate portfolio risk	Physical risk and transition risk	Physical risk refers to direct damage to property caused by extreme weather events or gradual climate-related changes. Transition risk, on the other hand, concerns indirect impacts resulting from the adoption of environmental policy, increased demand for sustainable real estate and technological advances in the sector.

Risk	Risk type	Description
Strategic and business risk	Physical risk and transition risk	The approach adopted focuses on the volumes of interest income and fees and commissions income from the operations of Affiliated Banks, which could potentially be exposed to risk in relation to the climate scenarios analysed.
Litigation and legal risk	Physical risk and transition risk	Physical risk refers to lawsuits arising from direct damage caused by the impacts of climate change, such as extreme weather events. Transition risk, on the other hand, concerns legal action tied to adaptation to climate policies, sustainability and compliance with evolving environmental regulations.
Reputational risk	Physical risk and transition risk	Risk primarily tied to transition to a low-carbon economy and the strategy and manner in which the Group responds to this transition.

To evaluate the direct and indirect effect of climate and environmental risks on existing financial risks, the Group adopted a transmission-channel approach. The transmission-channel approach establishes a set of causal relationships describing how financial risks are influenced by climatic and environmental risk factors, such as environmental degradation and climate change, through the impact these factors have on the economic value of financial assets (microeconomic impact) and on the business environment in which the Group operates (macroeconomic impact). They therefore represent a practical and theoretical tool with which the Group assesses the relevance of climate and environmental degradation in relation to risk parameters, enabling classification of risks as material and relevant.

The transmission methodology involves several steps, which are described below.

- **Climate and environmental risks:** include risks arising from environmental degradation (e.g. increased pollution, loss of biodiversity, water stress, etc.) and those generated by climate change (e.g. increase in natural disasters, rising sea levels, impacts on health and environmental balance);
- **Sources of financial risk:** these include the drivers generating transition risk, such as regulatory developments, fiscal policies, technological innovation and changing consumer preferences, as well as physical risk, which can arise from acute or chronic events (such as natural disasters) and geographical heterogeneity of impacts;
- **Causal chain:** maps causes at the microeconomic and macroeconomic level, explaining how transition and physical risks influence the vulnerability factors of the Group's business;
- **Vulnerability factors:** elements making the Group's business model and strategy vulnerable to climate and environmental risks. Risk parameters are identified for monitoring to assess their relevance.

The Group applies this methodology to ascertain the impact of climate and environmental shocks on each risk parameter in the short, medium and long term, analysing different business lines, portfolios, economic sectors and geographical contexts. This process is constantly updated and consolidated.

The time horizons considered in determining the relevant physical and transition risks (short, medium and long term) were established according to the following criteria:

- the short term is defined in full alignment with the time frame used by the Group in its planning, budgeting, ICAAP, stress test, etc. exercises, namely 3 years from the reference date;
- the medium term is defined in view of the fact that the transition is a complex process that takes more than three years to complete. However, this period is heavily linked to the declared objectives of the European Parliament's (i.e. 2030);
- the long term is defined in full alignment with the time frame defined in the decarbonisation targets of the economy according to the Paris Agreement (i.e. 2050).

Estimation of transition risk, applied to corporate counterparties (i.e. NFC - Non-Financial Corporation), is based on the Transition Risk Engine (TRE), which estimates the impacts of specific climate assumptions and related macroeconomic/sector-specific variables in terms of changes in revenues, expected additional costs (e.g. impact of carbon tax, ETS costs, etc.) and additional investments for energy efficiency under various climate scenarios (e.g. NGFS scenarios) at the individual company

level. The model combines real economic data and climate change scenarios with data extracted from the financial statements of companies from various sectors and countries. The purpose of the model is to identify and quantify the short, medium and long-term (up to 2050) impact of a climate-related technological transition on the financial situation of the Group's corporate customers. For the measurement of physical risk, the Group adopts a methodological approach, both for exposures secured by real estate (residential and commercial) and for the entire corporate scope, based on a dedicated Physical Risk Engine (PRE) developed by Prometeia. The Physical Risk Engine employs risk mapping procedures to cover a wide range of chronic and acute physical risks and, for the main risks, allows measurement of the economic impact on NFC budgets and property values. Climate hazard risk mapping, for a specific geographical location (the coordinates of which are identified at the end of the geo-localisation process of risk exposure), is based on calculation of the probability distribution and relative return period (RP) of each indicator used to assess the climate hazard in question.

With regard to climate scenarios, the Group uses NGFS scenarios for its materiality analysis. This choice was guided by the following rationale and considerations:

- the NGFS scenarios are based on shared scientific assumptions: the set of Shared Socioeconomic Pathways (SSPs) (economic scenarios) and the Representative Concentration Pathway (RCP) (emissions scenario) of the Intergovernmental Panel on Climate Change (IPCC);
- NGFS scenarios are currently widely used by financial intermediaries;
- NGFS scenarios are applied globally, with impacts at regional level;
- REMIND-MAgPIE is a comprehensive IAM framework that simulates, in a prospective manner, the dynamics and links between energy systems, land use, water, air pollution and health, economy and climate;
- the REMIND model includes the main features necessary for the Bank's analysis purposes (e.g. wealth of sector details).

For assessment of the operating context in which the Group operates or may operate in terms of economic sectors, geographical areas and products and services, the Group considered the potential impacts of climate change and environmental degradation on Group business lines (lending services, investment and funding) as an effect of climate and industrial policies promoted by the European Union based on the evolution of competitive dynamics and consumer preferences.

In assessing the impacts for the short, medium and long-term horizons, the Group took a set of three specific NGFS scenarios as a reference, assessing the Group's ability to handle:

- an "orderly transition" to an economy with a reduced or negligible carbon footprint compared to the current one ("Orderly Transition" or "Net Zero" scenario);
- a "disorderly transition", i.e. a delayed start of the measures needed to support the transition ("Disorderly Transition" or "Delayed Transition" scenario);
- a transition in a context of "current policies", i.e. a scenario that does not assume the introduction of measures to support the transition ("Hot House World" or "Current Policies" scenario).

The NGFS was established in 2017 and brings together Central Banks, Supervisory Authorities and other financial institutions from all around the world. The mission of the NGFS is to improve the understanding of climate-related risks to the financial system and support the incorporation of climate considerations into monetary-policy decisions, regulations and investment practices. The decision to use NGFS scenarios, a standard in use by many organisations and credit institutions, was based on the consideration that they provide an analysis framework for physical and transition risks related to climate change.

With a view to continuous improvement, a specific methodology was prepared which, integrating the Risk and Control Self-Assessment and Risk Impact Assessment processes, aims to monitor the evolution of specific threats in relation to climate change, along with the potential impacts. It sets out processes to verify the need to implement additional checks and controls and verify their correct functioning with a specific test plan, applying a short, medium and long-term forecast period.

At the overall Group level, the impact of climate risks (transition risk and physical risk), considering different scenarios (Net Zero, Delayed Transition and Hot-House World), is insignificant in the short and medium term, becoming more relevant in the long

term. Even in the scenario with the highest transition risk (i.e. Net Zero), positive, but nevertheless limited effects are observed: the increase in provisions would be limited, varying between +2.9% in the short term (2026, approx. EUR +19.0 million) and +6.9% in the long term (2050, approx. EUR +45.2 million). An overview of the increase in expected losses for the performing portfolio is provided below.

Below is a table summarising the judgements resulting from the materiality analysis by time horizon regarding first-level risk, conducted conservatively by assessing the impacts at a “static-balance-sheet” level (reference date 31/12/2023), i.e. by adopting judgement thresholds and identifying possible vulnerabilities to C&E risks.

Risk type	Short term (2026)	Medium term (2030)	Long term (2050)
Credit and counterparty risk	Not significant	Partially significant	Significant
Market risk	Not significant	Not significant	Not significant
Liquidity and funding risk	Not significant	Not significant	Partially significant
Operational risk	Not significant	Not significant	Not significant
Real estate portfolio risk	Partially significant	Partially significant	Significant
Strategic and business risk	Not significant	Partially significant	Partially significant
Litigation and legal risk	Not significant	Not significant	Not significant
Reputational risk	Not significant	Not significant	Not significant
Group C&E risk materiality assessment	Not significant	Partially significant	Significant

The Group’s exposure to climate and environmental risks is rather limited and characterised by elements of long-term volatility due to the static replication of the same risk portfolios.

Looking at the economic sectors of greatest interest (manufacturing, wholesale and retail trade, construction, real estate, agriculture and accommodation and catering), the impact (transition and physical combined) remains contained even in the scenario with the greatest transition risk (Net Zero). The increase in expected losses is limited in the short and medium term and significant only in the long term. The increase in expected losses varies between +1.0% in the short term (2026) and +8.0% in the long term (2050). An overview of the increase in expected losses in the economic sectors mentioned for the performing portfolio is provided below.

With regard to the management portfolios considered material for the Group:

- In the short term, there are no significant impacts, in line with the findings at Group level, for the three scenarios considered. The exception is the “natural persons” portfolio (private individuals) in the Net-Zero scenario, due to the effect of the transition risk linked to the energy class of real-estate pledged as collateral. This would result in a potential increase in expected losses of more than 10%, or approximately EUR 13.2 million in additional losses;
- in the medium term, there are no significant impacts, in line with the findings at Group level, for the three scenarios considered. The exception is the “natural persons” portfolio (private individuals) in the Net-Zero scenario, where an increase in expected losses of more than 12% is expected (approximately EUR 13 million in additional expected losses), as well as the Small Business segment (mainly sole proprietors), with a potential increase in expected losses of approximately +9.38% (approximately EUR 10.6 million);
- in the long term, there are potential significant impacts, especially in the Net-Zero scenario. In general, the segments with greatest exposure are: Small Business (with a potential impact between 10.8% and 17.42%), SME Retail (between 7.14% and 10.38%) and SME Corporate (between 5.06% and 8.28%). The “natural persons” (private individuals) portfolio

does not show any significant impact over this time frame, due to a transition that is expected to take place in the medium term. In contrast, Large-Corporate and Commercial-Real-Estate portfolios are less susceptible to impacts, especially in the Net-Zero scenario.

Business continuity and resilience

[ESRS E1 SBM-3]

As part of the analysis of climate and environmental risks, the Information Technology & Security Department conducted a specific analysis on the negative effects of climatic events on business continuity. Contingency plans were also developed to guarantee operational capacity and limit losses in the event of significant disruption, in line with current regulations and the European Central Bank (ECB) Guidelines on Climate and Environmental Risks.

Climatic events feature an additional critical quality, as they not only threaten the institution's operations, but also the fundamental social function that the institution serves in the territory, providing essential services such as access to cash and other essential resources for members of the population in need.

The Cassa Centrale Group supplements its strategy and business model in response to changes in climate, highlighting how these challenges are incorporated into decision-making processes and day-to-day operations. The approach adopted includes management of climate risks, measures to ensure business continuity and strategic adjustments required to promote long-term sustainability. The Cassa Centrale Group conducts an annual risk assessment on climate events, identifying residual risks and assessing mitigation actions.

The analysis conducted on Cassa Centrale Banca considered 30 types of events and scenarios, with over 300 possible occurrences. 61% of the scenarios were applicable, with a figure of 39% real exposure, for which the material risk levels were assessed. Most service-unavailability scenarios presented a low residual risk, but for natural events, such as flooding, the risk level is medium, with possible damage to infrastructure and operational spaces.

Affiliated Banks and Group Companies also conduct annual business-continuity analysis, the results of which for 2024 will be evaluated during 2025.

Phase 4: Reporting

The Double Materiality Analysis resulted in **identification of topics and sub-topics that exceeded the materiality threshold**, in terms of both Impact Materiality and Financial Materiality.

Below is a table highlighting the ESRs identified as relevant by the analysis.

Topics	Sub-topics	Materiality	
		Impact	Financial
E1 - Climate Change	Climate change mitigation	✓	✓
	Climate change adaptation	✓	✓
	Energy	✓	✓
E2 - Pollution	Pollution of air, water, soil, living organisms and food resources, Substances of (very high) concern and Microplastics	✗	✗
E3 - Water and marine resources	Water and Marine resources	✗	✗
E4 - Biodiversity and ecosystems	Direct impact drivers on biodiversity loss, Impacts on the state of species, Impacts on the extent and condition of ecosystems and Impacts and dependencies on ecosystem services	✗	✗
E5 - Resource use and circular economy	Resources inflows, including resource use	✗	✗
	Resource outflows related to products and services	✗	✗
	Waste	✗	✗
S1 - Own workforce	Working conditions, Equal treatment and opportunities for all, Other work-related rights	✓	✓
S2 - Workers in the value chain	Working conditions, Equal treatment and opportunities for all, Other work-related rights	✗	✗
S3 - Affected communities	Communities' economic, social and cultural rights, Communities' civil and political rights	✓	✓
	Rights of indigenous peoples	✗	✗
S4 - Consumers and end-users	Information-related impacts for consumers and/or end-users, Personal safety of consumers and/or end-users, Social inclusion of consumers and/or end-users	✓	✓
G1 - Business conduct	Corporate culture, Protection of whistle-blowers, Political engagement and lobbying activities, Management of relationships with suppliers including payment practices, Corruption and bribery	✓	✗
	Animal welfare	✗	✗

1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model

[ESRS 2 SBM-1]

[ESRS 2 SBM-3]

[ESRS 2 MDR-T]

Material IROs are closely linked to the business model, the core values of Cooperative Credit, and the activities and services provided, with reference to the different links in the value chain, upstream and downstream. The context within which the Group operates can be understood from the Double Materiality process and description of the business model, as well as the value chain. It should be noted that no topic or sub-topic specifically created for the Group in relation to ESRS disclosure requirements has been included. Therefore, no specific distinctive elements were highlighted, only the standard topics and sub-topics.

The material impacts (divided into positive and negative), as well as material risks and opportunities are listed below, grouped according to the associated sub-topics. It is clearly indicated whether each is a positive impact, a negative impact, a risk or an opportunity, in order to provide a clear and complete view of the different implications related to the activities analysed, as well as the link in the value chain in relation to which the IRO could be generated. In the descriptions, it is specified whether the IRO is real or potential.

Impact materiality

Topics	Sub-topics	Description	Positive/ negative impact	Links in the value chain	Impact contributed or caused	Time horizon
E1 - Climate Change	Climate change mitigation	Generation of GHG emissions in the supply chain related to business travel and commuting, purchases of goods and services, etc. (Current)	Negative impact	Suppliers	Contributed	Short, medium and long term
		Generation of GHG emissions in own operations due to the use of company cars and heating of Group branches. (Current)		Own operations		
		Generation of GHG emissions in the value chain related to loans to counterparties with high emissions and no climate transition plans. (Current)		Loans		
		Generation of GHG emissions related to investments in counterparties with high emissions. (Potential)		Investments		
	Climate change adaptation	Support for companies (e.g. debt restructuring, specific advice) engaged in sustainable transition both individually and in the broader economic context. (Current)	Positive impact	Loans	Contributed	Short, medium and long term
		Loans and new green products (e.g. green mortgages loans) for infrastructure development, business model transformation and implementation of advanced resource management strategies. (Current)				
		Development of new financial products to channel funds into environmentally virtuous activities and invest client funds in a more sustainable manner. (Current)		Investments		
	Energy	Loans to companies with high levels of energy consumption and/or energy intensity, without adequate checks on sustainability criteria. This could jeopardise transition to a more sustainable economic model. (Potential)	Negative impact	Loans	Contributed	Medium and long term
		Allocation of capital to companies with high levels of energy consumption and/or energy intensity, without adequate controls sustainability criteria. (Potential)		Investments		

Topics	Sub-topics	Description	Positive/ negative impact	Links in the value chain	Impact contributed or caused	Time horizon
S1 - Own workforce	Working conditions, Equal treatment and opportunities for all, Other work- related rights	Implementation of accident and work- related-injury management systems, accompanied by training sessions open to all workers. (Current)	Positive impact	Own operations	Caused	Short, medium and long term
		Offer of solutions for flexible working time, access to homeworking, childcare and parental leave. (Current)				
		Promotion of an inclusive working environment, aimed at professional growth, gender equality and adequate remuneration. (Current)				
		Promotion of the improvement of training and professional development and enhancement of Cooperative Credit expertise among employees through the provision of targeted training courses that consider the personal and professional development of employees. (Current)				
S3 - Affected communities	Communities’ economic, social and cultural rights	Creation of value in the area and development of business opportunities by sourcing products and services through local suppliers. Respect for suppliers’ rights and training activities to meet the required social and environmental criteria. (Potential)	Positive impact	Suppliers	Caused	Short, medium and long term
		Promotion of local areas by supporting local activities and initiatives with associations and third-sector bodies, strengthening the social fabric and working against the depopulation of small villages. (Current)		Own operations		
		Positive impact linked to the ability to respond to customers’ needs with solutions adapted to their requirements, with timeliness and innovative solutions (thanks to the widespread presence of physical branches near users). (Current)				
		Increasing awareness/knowledge of topics related with ESG and/or loans and savings, bringing certain categories closer to issues that are difficult to understand (e.g. young people and savings, workers and pensions, etc.) through the promotion of financial education initiatives aimed at shareholders, customers and/or potential customers and their households and other stakeholders. (Current)				
		Development of new products that meet the needs of the prevailing social fabric (e.g. households and local businesses) and increased training in finance, including cooperation and mutuality issues. (Current)				

Topics	Sub-topics	Description	Positive/ negative impact	Links in the value chain	Impact contributed or caused	Time horizon
S4 - Consumers and end-users	Personal safety of consumers and/or end consumers, Information- related impacts	Access to transparent information and promotion of training and information in order to increase consumer awareness. (Current)	Positive impact	Loans	Caused	Short, medium and long term
		Increase in social inclusion by allowing access to loans through social products and agreements with institutions. (Current)		Own operations		
		Respect for the economic, social, cultural, civil and political rights of members, partners and customers, in particular by supporting companies with social and local promotional aims. (Current)				
G1 - Business conduct	Corporate culture/ Management of relationships with suppliers/ Political engagement and lobbying activities/ Corruption and bribery/ Protection of whistle-blowers	Economic stability of local supply chains fostered by timely payment practices and fair and responsible relationships with suppliers, especially local SMEs. (Current)	Positive impact	Suppliers	Caused	Short and medium term
		Consistency with cooperative principles is ensured by trust relationships and the training on the required criteria. (Current)		Own operations		
		Strengthening organisational transparency and integrity that contributes to a more ethical and accountable business environment through a culture focused on corruption prevention, independence from political influence and effective protection of whistleblowers. (Current)				
		Support of companies with a social mission or values aimed at creating a benefit for third parties (e.g. social cooperatives, benefit societies, BCorp, associations, etc.). (Potential)				
		Efficient allocation of capital towards the real and sustainable economy by fostering the growth of territories and local enterprises, in line with the cooperative mission. Promotion of ESG-consistent investments to strengthen the resilience of the economic system. (Current)		Investments		
		Exclusion of local suppliers from the value chain or the choice of suppliers without environmental and social certification, which may lead to increased risk associated with business operations. (Potential)	Negative impact	Suppliers	Contributed	Medium term
		Granting of loans to parties without adequate controls in the areas of business ethics, corporate culture, political influence, whistleblowing and corruption and bribery, potentially leading to increased risk associated with corporate transactions. (Potential)		Loans		

For the definition of impacts, reasonably expected time horizons were considered, including short, medium and long term. For impacts, the time horizon is aligned with that indicated by ESRS1.

Financial materiality

Topics	Sub-topics	Description	Risk/ Opportunity	Links in the value chain
E1 - Climate Change	Climate change mitigation	Access to European loans due to investment in counterparties with high-level sustainability profiles, particularly those engaged in emissions reduction.	Opportunities	Loans
		Increase in revenues and improvement of Group's positioning, thanks to the development of new banking products and advisory services aimed at supporting market decarbonisation.		Loans and investments
	Climate change adaptation	Increase in levels of risk related to the financing of corporate counterparties, which are ever more exposed to the effects of climate change such as floods and storms (e.g. high costs for repairing damage or restoring assets, including finding alternative sites), and increase in insolvencies and potential impacts on Group operations.	Risk	Loans
		Increase in revenues in the medium and long term and strengthened positioning through the development of new products, also in line with EU Taxonomy. Increase in resilience of counterparties and more robust and sustainable ecosystem due to greater adaptability to climate change.	Opportunities	Loans
	Energy	Increase in revenues and improvement of brand reputation by offering new long-term products and services geared towards a greener and more resilient future, better aligned with sustainable banking criteria.	Opportunities	Loans
S1 - Own workforce	Working conditions, Equal treatment and opportunities for all, Other work-related rights	Increased productivity and a simultaneous reduction in Operating costs due to increased trust in the organisation by employees and collaborators and increased credibility in the market, reflected in relationships with potential future employees.	Opportunities	Own operations
		Increased Group performance, with positive effects on Sales Revenues and staff performance results in an overall enhancement of the Group's performance.	Opportunities	Own operations
S3 - Affected communities	Economic, social and cultural rights of communities	Improvement in brand reputation due to role in supporting communities, public administrations and businesses, in response to the needs of the areas in which the Group operates.	Opportunities	Own operations
		Increase in the number of associations that collaborate with Credito Cooperativo in order to further the benefits generated in the region and sustain values of cooperation and mutuality.		Own transactions and loans
		Promotion of financial education in affected communities, particularly among young people, through learning initiatives run by Affiliated Banks.		Loans
S4 - Consumers and end-users	Personal safety of consumers and/or end users, Information-related impacts	Improved credibility in the marketplace and relations with members and customers through management of issues such as security and privacy.	Opportunities	Own operations
		Consolidation of the strategic market positioning and strengthening of Affiliated Banks' ownership structure/intergenerational turnover, thanks to strengthening of brand reputation and better ESG rating scores, as well as communication initiatives.		Loans

The current financial effects of climate risks on the Group's financial position, economic results and cash flows are not significant over a three-year horizon. However, in the medium term, these effects become moderately significant and, in the long term, more pronounced, mainly due to credit risk. In particular, in the Net-Zero scenario, climate risks could generate significant financial impacts, although these are subject to the volatility of forecasts and the uncertainty of scenario assumptions.

The risk assessment shows that, based on the distribution of the Group's exposure, the portfolio is more concentrated on "low-sensitive" sectors, which reduce the current risk of major corrections in the book values of assets and liabilities in the short term. The largest sectors by volume of exposure include manufacturing, accommodation and catering, construction and wholesale and retail trade, which together account for about 70% of the Group's Gross Book Value (GBV) to Non-Financial Corporations (NFC).

Exposure to highly sensitive sectors — including agriculture, forestry, fishing, electricity supply, gas, mining and quarrying, water supply and sewerage — is more limited, at around 24% of the Group's total exposure. However, in the long run, there is a significant risk of major revisions to the book values of specific assets, especially in agricultural sectors, where climate risks could have a greater impact.

Of the relevant portfolios, agriculture is the main area of focus for all time horizons considered, while significant impacts are mainly seen in the long term, with reference to exposures related to SME Retail and SME Corporate.

In line with the aforementioned analyses, the Group introduced, with the aim of quantifying provisions for the loans to customers portfolio, additional stress scenarios aimed at determining expected losses related to climate risks.

In particular, as reported in Part E - Information on risks and related hedging policies, in the last quarter of 2024, in the face of substantial replacement of measurement systems (IFRS 9 rating and models), the corrective measures on PD and LGD parameters were further refined, with the intention to incorporate into the model and, therefore, influence the provisions relating to loans to customers, the initial impacts related to climate risks and, in a more extensive approach, the main ESG factors. In this context, the Group, consistent with the results of the dual materiality analysis, which highlighted the relevance of a Credit and counterparty risk with reference to climate change (physical and transition risk), incorporated the potential long-term (2050) prospective effects of climate-related credit and counterparty risks of the most impacted economic sectors in the calculation of the expected loss. The quantification of the aforementioned effects amounted to approximately € 29 million as at 31 December 2024.

Opportunities, on the other hand, these were generated by the offer of services and products with an environmental and social purpose and will be presented within the topic-specific ESRS sections, along with the financial effects of opportunities, taken into account in the value of items reported according to the relevant IAS/IFRS in the consolidated financial statements.

Strategic resilience

The Cassa Centrale Group recognises that climate and environmental change represent a central component of transformation for the Italian economic and financial system, with decisive impacts on business strategies. The resilience of the Group's strategy is ensured by its ability to address significant climate and environmental risks, as well as to seize the opportunities offered by transition to a low-carbon economy.

In the short term, the impacts of climate change on the Group's business model are managed through implementation of tools and policies that mitigate the effects of physical risk and promote gradual adaptation to emerging climate policies. Despite a slow economic environment due to the less-than-rapid adoption of sustainable models of consumption and production, the Group continues to support its customers, in particular small and medium-sized enterprises, with transition-specific financial solutions.

In the medium term, transition dynamics are expected to accelerate due to more effective climate and fiscal policies. In this scenario, the Group's strategy is proving resilient through the adoption of a strategic plan involving repositioning of its activities towards more sustainable sectors, mitigating risks associated with asset deterioration and promoting value creation for stakeholders. The Group is focused on development of sustainable technology and consumption models, supporting customers and partners with innovative and targeted financial products.

In the long term, the resilience of the Group's business model is embodied in a proven climate and environmental risk-management system, based on efficient and sustainable technologies and business models. The positive impacts of the transition become dominant, with a stabilising effect on the general economic environment and the sustainable finance market. The Group's ability to seize transition opportunities, through the development of sustainable funding, dedicated lending and asset management, is central to its long-term strategy.

The Sustainability Plan

The Cassa Centrale Group's sustainability strategy is built around two important pillars that characterise how the Group operates and competes in the market, namely:

1. generation of wealth and shared development for members and local areas through central coordination of development initiatives for all products, services, solutions, expertise and platforms capable of responding to customer needs and meeting market challenges;
2. contribution to the economic, social and cultural development of local communities through central coordination and monitoring of initiatives to reallocate finance to sustainable financing, investment and bancassurance solutions, for which it is important to respond to newly arising customer needs, but also to manage and, where possible, mitigate risks.

The goals of the strategy are set out in the new 2024-2027 Sustainability Plan, approved in June 2024 (hereinafter also referred to as the “Plan”), and integrated into the 2024-2027 Strategic Plan. The Sustainability Plan continues to evolve in order to incorporate ESG issues into the business by leveraging the distinctive characteristics of cooperative credit and aims to accompany customers and the communities in which it operates in environmental and social transition, at the same time responding to:

- the expectations of legislators and supervisory bodies;
- the growing awareness of customers and the market;
- increases in the supply of GSS (green, social and sustainable) products and services.

The Plan is drawn up by the ESG and Institutional Relations Department with the contribution of Departments involved in implementing projects that support the achievement of the relevant targets. In particular, the goals and activities identified are determined by taking into account both the external context (e.g. existing policies, national and/or EU policy objectives) and the analyses performed internally (e.g. results of monitoring analyses, and discussions with Banks and Subsidiaries). Subsequently, they are discussed jointly with the Departments and duly approved after feasibility analysis. Moreover, progress towards these targets is monitored periodically through a number of appropriately identified annual milestones.

The Plan is drafted by promoting a shared approach to ESG initiatives, involving both subsidiaries and Affiliated Banks in the achievement of Group targets and recognition and assessment of the actions undertaken by individual Banks.

The ESG projects included in the Plan, associated with the five areas “**ESG Governance**”, “**Environment**”, “**Customers**”, “**Community and Members**” and “**People**”, reflect the material topics that emerged from the Double Materiality Analysis. This ensures a specific focus on key sustainability issues: climate change, workforce empowerment, community engagement, consumer and end-user protection, and the promotion of ethical and responsible business conduct.

Goals of the Sustainability Plan

Material Topics - Double Materiality Analysis	Sustainability Plan: ESG Area	Commitments in the Sustainability Plan
E1 - Climate change	Environment	■ Increase efficiency of consumption at its properties and limit their environmental impact (strategy for sustainable management of real-estate portfolio), in terms of energy optimisation and mitigation of the physical risk of the real-estate portfolio, via a series of initiatives, including: a. upgrading measures and acquirement of system energy certifications; b. improvement of energy consumption through purchase of renewable electricity; c. promotion of sustainable conduct in operations; d. insurance coverage to reduce unexpected losses due to adverse weather events.
		■ Reduce the carbon footprint of operations and credit exposures (decarbonisation strategy) by calculating the greenhouse gas emissions of the Group’s own operations and exposures (financed emissions) with the aim of setting reduction targets on the basis of decarbonisation trajectories envisaged by 2050 Net-Zero scenarios, evaluating potential purchase of carbon credits for the remainder of emissions.
		■ Adopt a responsible and conscious approach to the management of natural resources (e.g. water consumption, etc.), encouraging process efficiency, promoting the use of certified and low-impact materials and their reuse, recycling and recovery, and supporting proper waste management (e.g. environmental certification).

Material Topics - Double Materiality Analysis	Sustainability Plan: ESG Area	Commitments in the Sustainability Plan
S1 - Own workforce	People	■ Enhance ESG expertise by establishing specialised training programmes tailored to the needs of different company departments.
		■ Develop an inclusive environment and improve people's well-being through work-life balance programmes and acquirement of gender equality certifications.
		■ Ensure a safe working environment for employees by enhancing the safety culture through achievement of Health and Safety system certification.
S3 - Affected communities	Community and Members	■ Enhance specific cooperative characteristics by facilitating the entry of new young members and promoting financial education.
		■ Mitigate environmental and social impacts of the value chain through the evaluation, selection and monitoring of suppliers with ESG criteria.
S4 - Consumers and end-users	Customers	■ Support the energy transition of companies and individuals through: a. specific loans targeting sectors included in the EU Taxonomy, projects linked to the NRRP or granted to counterparties that make commitments to specific sustainability performance improvement targets; b. provision of services aimed at matching supply and demand for green/sustainable loans; c. specialised financing for green mortgage loans or unsecured loans; d. strengthening of process for granting, pricing and monitoring loans to assess the sustainability profile of counterparties.
		■ Promote and orient investment choices towards sustainability (sustainable asset-management strategy), in terms of efforts to increase AUM, which, unlike traditional management, involves: a. designing a new advisory service that integrates clients' sustainability preferences; b. launch of an ESG investment awareness campaign to steer choices towards sustainable financial products; c. increasing the offer of sustainable investment products by improving the sustainability features of asset-management and NEAM products; d. developing solutions to protect against physical climate risks and expanding the range with sustainable bancassurance products.
G1 - Business conduct	ESG Governance	■ Strengthen sustainability governance through remuneration policies linked to the Group's ESG performance.
		■ Support projects with a social and environmental purpose (sustainable funding strategy), i.e. by issuing retail or wholesale Green, Social, Sustainability (GSS) bonds, which unlike traditional bonds require: a. identification of the loans, projects, investments to which proceeds of the bonds issued are to be allocated; b. establishment of a management and control system that certifies the allocation of inflows to sustainable loans; c. preparation of a prospectus and second-party opinion; d. development of tools for evaluating, monitoring and reporting on the impact of proceeds.

The Planning Department is responsible for coordinating the definition and monitoring of the Multi-Year Strategic Plan and the Annual Operating Plan, for the Group and the Parent Company. This process takes into account the relevant sustainability goals identified in the Sustainability Plan, integrating the results of specific ESG analyses into planning activities. Within the Planning Department, the Budget & Planning Service ensures complete alignment of objectives set and the risk-management and capital-allocation policies laid down in the strategic and operational plans, including the strategic sustainability objectives set out in the Sustainability Plan.

Coinciding with publication of this document, the 2025-2027 Sustainability Plan will also be approved. This will confirm some of the goals already defined, introduce new projects and update the targets of initiatives already under way, further strengthening the Group's commitment to a sustainable transition, in line with regulatory changes and the emerging needs of the socio-economic context.

1.4.3 Consolidated Sustainability Statement obligations

[ESRS 2 IRO-2]

Following the Double Materiality analysis, the Cassa Centrale Group has identified the disclosure obligations fulfilled with this Sustainability Report. The list includes the mandatory disclosures of ESRS 2 - General Disclosures and the material topics identified, with associated sub-topics and Disclosure Requirements (DR). For each DR, the reference paragraph has been indicated or, in the case of omission, the reasons for such omission.

The analysis revealed that a number of issues under the topic-specific ESRS, including Pollution, Water and Marine Resources, Biodiversity and Ecosystems, Resource Use and Circular Economy, and Workers in the Value Chain, did not exceed the established materiality threshold and were therefore excluded from reporting. For further details on the Double Materiality Analysis process, please refer to the "1. General Disclosures" section, Chapter 1.4 "Managing impacts, risks and opportunities", paragraph 1.4.1 "Double Materiality Analysis process".

In preparing the Report, the Group considered the guidance of ESRS 2, applying MDR-P for policies, MDR-A for actions, MDR-T for targets and MDR-M for metrics.

Topics	Sub-topics	Sub-sub-topics	Associated disclosure requirements	Associated paragraphs/notes
ESRS 2 - General Disclosures			BP-1 General basis for preparation of sustainability statements	1.1.1 General Criteria for Consolidated Sustainability Reporting
			BP-2 Disclosures in relation to specific circumstances	1.1.2 Disclosures in relation to specific circumstances
			GOV-1 The role of the administrative, management and supervisory bodies	1.2.1 Administrative, management and supervisory bodies
			GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	1.2.2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
			GOV-3 Integration of sustainability-related performance in incentive schemes	1.2.3 Integration of sustainability-related performance in incentive schemes
			GOV-4 Statement on due diligence	1.2.4 Statement on due diligence
			GOV-5 Risk management and internal controls over sustainability reporting	1.2.5 Risk management and internal controls over sustainability reporting
			SBM-1 Strategy, business model and value chain	1.3.1 Strategy, business model and value chain
			SBM-2 Interests and views of stakeholders	1.3.2 Interests and views of stakeholders
			SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model
			IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	1.4.1 Double materiality analysis process
			IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement	1.4.3 Consolidated Sustainability Statement obligations
			MDR-P Policies adopted to manage material sustainability matters	1.2.6 The Group regulatory system

Topics	Sub-topics	Sub-sub-topics	Associated disclosure requirements	Associated paragraphs/notes
E1 - Climate Change	Climate change mitigation		ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes	2.2.1 Governance
			E1-1 Transition plan for climate change mitigation	2.2.2.1 Transition plan for climate change mitigation
			ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.2.2.2 Material impacts, risks and opportunities and their interaction with strategy and business model
			ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	2.2.3 Management of impacts, risks and opportunities
			E1-2 Policies related to climate change mitigation and adaptation	2.2.3.1 Environmental policy
			E1-3 Actions and resources in relation to climate change policies	2.2.3.2 Actions and initiatives
			E1-4 Targets related to climate change mitigation and adaptation	2.2.5 Targets related to climate change mitigation and adaptation
			E1-5 Energy consumption and mix	2.2.4.1 Energy consumption and mix
			E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	2.2.4.2 Direct and indirect emissions
			E1-7 GHG removals and GHG mitigation projects financed through carbon credits	E1-7 not reported because GHG absorption and storage plans and purchases of carbon credit are not implemented
			E1-8 Internal carbon pricing	E1-8 not reported because there are no internal carbon pricing systems in place
			E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	DR subject to phase-in/not mandatory
			Entity-specific metrics: Products and services with environmental aims	2.2.3.2 Actions and initiatives
	Climate change adaptation		ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.2.2.2 Material impacts, risks and opportunities and their interaction with strategy and business model
			ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	2.2.3 Management of impacts, risks and opportunities
			E1-2 Policies related to climate change mitigation and adaptation	2.2.3.1 Environmental policy
			E1-3 Actions and resources in relation to climate change policies	2.2.3.2 Actions and initiatives
			E1-4 Targets related to climate change mitigation and adaptation	2.2.3 Management of impacts, risks and opportunities
			E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	DR subject to phase-in/not mandatory

Topics	Sub-topics	Sub-sub-topics	Associated disclosure requirements	Associated paragraphs/notes
E1 - Climate Change	Energy		ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	2.2.2.2 Material impacts, risks and opportunities and their interaction with strategy and business model
			ESRS 2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	2.2.3 Management of impacts, risks and opportunities
			E1-2 Policies related to climate change mitigation and adaptation	2.2.3.1 Environmental policy
			E1-3 Actions and resources in relation to climate change policies	2.2.3.2 Actions and initiatives
			E1-4 Targets related to climate change mitigation and adaptation	2.2.3 Management of impacts, risks and opportunities
			E1-5 Energy consumption and mix	2.2.4.1 Energy consumption and mix
			E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	DR subject to phase-in/not mandatory
S1 - Own workforce	Working conditions Equal treatment and opportunities for all Other work-related rights	Secure employment Working time Adequate wages Social dialogue Freedom of association, existence of works councils and workers' rights to information, consultation and participation Collective bargaining, including the percentage of workers covered by collective agreements Work-life balance Health and safety Gender equality and equal pay for work of equal value Training and skills development Employment and inclusion of persons with disabilities Measures against violence and harassment in the workplace Diversity Confidentiality	S1-1 Policies related to own workforce	3.1.2.1 Policies related to own workforce
			S1-2 Processes for engaging with own workers and workers' representatives about impacts	3.1.2.2 Processes for engaging with own workers
			S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns	3.1.2.3 Impacts and reporting channels
			S1-4 Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches	3.1.3 Workforce composition and attraction of group personnel 3.1.5 Worker welfare
			S1-5 Targets related to managing negative material impacts, advancing positive impacts, as well as to material risks and opportunities	3.1.6 Workforce targets
			S1-6 Characteristics of the undertaking's employees	3.1.3 Workforce composition and attraction of group personnel
			S1-7 Characteristics of non-employee workers in the undertaking's own workforce	3.1.3 Workforce composition and attraction of group personnel
			S1-17 Incidents, complaints and severe human rights impacts	3.1.3 Workforce composition and attraction of group personnel

Topics	Sub-topics	Sub-sub-topics	Associated disclosure requirements	Associated paragraphs/notes
S1 - Own workforce	Working conditions	Secure employment	S1-11 Social protection	3.1.5 Worker welfare
		Working time	S1-6 Characteristics of the undertaking's employees	3.1.3 Workforce composition and attraction of group personnel
		Adequate wages	S1-10 Adequate wages	3.1.5 Worker welfare
		Social dialogue	S1-8 Collective bargaining coverage and social dialogue	3.1.5 Worker welfare
		Freedom of association, existence of works councils and workers' rights to information, consultation and participation	S1-8 Collective bargaining coverage and social dialogue	3.1.5 Worker welfare
		Collective bargaining, including the percentage of workers covered by collective agreements	S1-8 Collective bargaining coverage and social dialogue	3.1.5 Worker welfare
		Work-life balance	S1-15 Work-life balance indicators	3.1.5 Worker welfare
		Health and safety	S1-14 Health and safety indicators	3.1.5 Worker welfare
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	S1-16 Compensation indicators (pay gap and total compensation)	3.1.3 Workforce composition and attraction of group personnel
		Training and skills development	S1-13 Training and skills development indicators	3.1.4 Training and skills development
		Employment and inclusion of persons with disabilities	S1-12 Persons with disabilities	3.1.3 Workforce composition and attraction of group personnel
		Measures against violence and harassment in the workplace	S1-17 Incidents, complaints and severe human rights impacts	3.1.3 Workforce composition and attraction of group personnel
		Diversity	S1-9 Diversity indicators	3.1.3 Workforce composition and attraction of group personnel
	Other work-related rights	Confidentiality	Entity-specific metrics: reference to data breach cases reported in ESRS S4	
S3 - Affected communities	Economic, social and cultural rights of communities Civil and political rights of communities	Impacts in local area Security-related impacts Freedom of expression Freedom of association	S3-1 Policies related to affected communities	3.2.2.1 Policies related to affected communities
			S3-2 Processes for engaging with affected communities about impacts	3.2.2.2 Processes for engaging with affected communities
			S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	3.2.2.3 Impacts and reporting channels
			S3-4 Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions and approaches	3.2.3 Actions and initiatives on affected communities
			S3-5 Targets related to managing negative material impacts, advancing positive impacts, as well as to material risks and opportunities	3.2.4 Targets on affected communities

Topics	Sub-topics	Sub-sub-topics	Associated disclosure requirements	Associated paragraphs/notes
S3 - Affected communities	Economic, social and cultural rights of communities	Impacts in local area	Entity-specific metrics: Community initiatives Financial education initiatives Community initiatives Group presence in the area/Number of branches	3.2.3 Actions and initiatives on affected communities
		Security-related impacts		Reporting only of policies, actions and targets
	Civil and political rights of communities	Freedom of expression		Reporting only of policies, actions and targets
		Freedom of association		Reporting only of policies, actions and targets
S4 - Consumers and end-users	Information-related impacts for consumers and/or end-users Personal safety of consumers and/or end users Social inclusion of consumers and/or end-users	Confidentiality Freedom of expression Access to (quality) information Personal safety Non-discrimination Access to products and services Responsible business practices	S4-1 Policies related to consumers and end-users	3.3.4 Confidentiality 3.3.5 Access to quality information and responsible business practices
			S4-2 Processes for engaging with consumers and end-users about impacts	3.3.1 Strategy: Impacts, risks and opportunities
			S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.3.2 Impacts and reporting channels
			S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.3.3 Access to products and services 3.3.4 Confidentiality 3.3.6 Social-purpose loans 3.3.7 Responsible finance
			S4-5 Targets related to managing negative material impacts, advancing positive impacts, as well as to material risks and opportunities	3.3.8 Targets on members and customers
	Information-related impacts for consumers and/or end-users	Confidentiality	Entity-specific metrics: Number of data breaches	3.3.4 Confidentiality
		Freedom of expression	Entity-specific metrics: Complaints	3.3.2 Impacts and reporting channels
		Access to (quality) information		Reporting only of policies, actions and targets
	Personal safety of consumers and/or end users	Personal safety		Reporting only of policies, actions and targets
	Social inclusion of consumers and/or end-users	Non-discrimination	Entity-specific Metrics: refer to whistleblowing reports in ESRS G1	3.3.2 Impacts and reporting channels
		Access to products and services		Reporting only of policies, actions and targets
		Responsible business practices	Entity-specific metrics: cooperative members Customers Products and services with social and sustainable-finance purpose Loans backed by guarantees and counter-guarantees	3.3.1 Strategy: Impacts, risks and opportunities 3.3.6 Social-purpose loans 3.3.7 Responsible finance

Topics	Sub-topics	Sub-sub-topics	Associated disclosure requirements	Associated paragraphs/notes
G1 - Business conduct	Corporate culture		G1-1 Corporate culture and business conduct policies Entity-specific metrics: Cases of non-compliance and penalties	4.1.2.2 Corporate culture and business conduct policies
	Protection of whistleblowers		G1-1 Corporate culture and business conduct policies	4.1.2.2 Corporate culture and business conduct policies
	Political engagement and lobbying		G1-1 Corporate culture and business conduct policies	4.1.2.2 Corporate culture and business conduct policies
			G1-5 Political influence and lobbying	4.1.3.2 Political influence and lobbying
	Management of relationships with suppliers, including payment practices		G1-1 Corporate culture and business conduct policies	4.1.2.2 Corporate culture and business conduct policies
			G1-2 Management of relationships with suppliers	4.1.4 Management of relationships with suppliers
			G1-6 Payment practices	4.1.4.1 Payment practices
	Corruption and bribery	Prevention and detection including training, incidents	G1-1 Corporate culture and business conduct policies	4.1.2.2 Corporate culture and business conduct policies
			G1-3 Prevention and detection of corruption or bribery	4.1.3.1 Prevention and detection of corruption and bribery
			G1-4 Incidents of bribery or corruption	4.1.3.1 Prevention and detection of corruption and bribery

[ESRS 2 Appendix B - List of datapoints in cross-cutting and topical standards that derive from other EU legislation]

The table below illustrates the datapoints of ESRS 2 and topic-specific ESRS derived from other EU legislative deeds.

Duty of disclosure and corresponding datapoint	SFDR Reference	Third-Pillar Reference	Benchmark ratios regulation reference	EU climate-law reference	Reference section
ESRS 2 GOV-1 Gender diversity of the board, paragraph 21, letter d)	Annex I, Table 1, Indicator No. 13		Commission Delegated Regulation (EU) 2020/1816, Annex II		1.2.1 Administrative, management and supervisory bodies
ESRS 2 GOV-1 Percentage of independent members of the Board of Directors, paragraph 21, letter e)			Commission Delegated Regulation (EU) 2020/1816, Annex II		1.2.1 Administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on due diligence, para. 30	Annex I, Table 3, Indicator No. 10				1.2.4 Statement on due diligence

Duty of disclosure and corresponding datapoint	SFDR Reference	Third-Pillar Reference	Benchmark ratios regulation reference	EU climate-law reference	Reference section
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, para. 40, letter d), point i)	Annex I, Table 1, Indicator No. 4	Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1 - Qualitative Information on Environmental Risk and Table 2 - Qualitative Information on Social Risk	Commission Delegated Regulation (EU) 2020/1816, Annex II		Not applicable to the business of the Cassa Centrale Group
ESRS 2 SBM-1 Involvement in activities related to chemical production, para. 40, letter d), point ii)	Annex I, Table 2, Indicator No. 9		Commission Delegated Regulation (EU) 2020/1816, Annex II		Not applicable to the business of the Cassa Centrale Group
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, paragraph 40, letter d), point iii)	Annex I, Table 1, Indicator No. 14		Article 12, para. 1 of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		1.3.1 Strategy, business model and value chain
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, para. 40, letter d), point iv)			Article 12, para. 1 of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Not applicable to the business of the Cassa Centrale Group
ESRS E1-1 Transition plan to reach climate neutrality by 2050, para. 14				Article 2, para. 1 of Regulation (EU) 2021/1119	2.2.2.1 Transition plan for climate change mitigation
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks, para. 16, letter g)		Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Indicators of potential climate-change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12, para. 1, letter d) to g), and para. 2 of Delegated Regulation (EU) 2020/1818		2.2.2.1 Transition plan for climate change mitigation

Duty of disclosure and corresponding datapoint	SFDR Reference	Third-Pillar Reference	Benchmark ratios regulation reference	EU climate-law reference	Reference section
ESRS E1-4 GHG emission reduction targets, para. 34	Annex I, Table 2, Indicator No. 4	Article 449 bis of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate-change transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		2.2.5 Targets related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption from non-renewable sources disaggregated by sources (only high climate impact sectors), para. 38	Annex I, Table 1, Indicator No. 5 and Annex I, Table 2, Indicator No. 5				2.2.4.1 Energy consumption and mix
ESRS E1-5 Energy consumption and mix, para. 37	Annex I, Table 1, Indicator No. 5				2.2.4.1 Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paras. 40 to 43	Annex I, Table 1, Indicator No. 6				2.2.4.1 Energy consumption and mix
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions, para. 44	Annex I, Table 1, Indicators No. 1 and 2	Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book - Indicators of potential climate-change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Articles 5, para. 1, Article 6 and Article 8, para. 1 of Delegated Regulation (EU) 2020/1818		2.2.4.2 Direct and indirect emissions
ESRS E1-6 Gross GHG emissions intensity, paras. 53 to 55	Annex I, Table 1, Indicator No. 3	Article 449 bis of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Indicators of potential climate-change transition risk: alignment metrics	Article 8, para. 1 of Delegated Regulation (EU) 2020/1818		2.2.4.2 Direct and indirect emissions
ESRS E1-7 GHG removals and carbon credits, para. 56				Article 2, para. 1 of Regulation (EU) 2021/1119	Data not present for 2024

Duty of disclosure and corresponding datapoint	SFDR Reference	Third-Pillar Reference	Benchmark ratios regulation reference	EU climate-law reference	Reference section
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, para. 66			Annex II of Delegated Regulation (EU) 2020/1818 and Annex II of Delegated Regulation (EU) 2020/1816		Phase-in
ESRS E1-5 Energy consumption and mix, para. 37	Annex I, Table 1, Indicator No. 5				2.2.4.1 Energy consumption and mix
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, para. 66, letter a) ESRS E1-9 Location of significant assets at material physical risk, para. 66, letter c)		Article 449 bis of Regulation (EU) No 575/2013; Points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453, Template 5: Banking book – Indicators of potential climate-change physical risk: exposures subject to physical risk			Phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, para. 67, letter c)		Article 449 bis of Regulation (EU) No 575/2013; Point 34 of Commission Implementing Regulation (EU) 2022/2453, Template 2: Banking book - Indicators of potential climate-change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, para. 69			Annex II, Delegated Regulation (EU) 2020/1818		Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of E-PRTR (European Pollutant Release and Transfer Register) emitted into air, water and land, para. 28	Annex I, Table 1, Indicator No. 8; Annex I, Table 2, Indicator No. 2; Annex 1, Table 2, Indicator No. 1; Annex I, Table 2, Indicator No. 3				Not material
ESRS E3-1 Water and marine resources, para. 9	Annex I, Table 2, Indicator No. 7				Not material
ESRS E3-1 Dedicated policy, para. 13	Annex I, Table 2, Indicator No. 8				Not material
ESRS E3-1 Sustainable oceans and seas, para. 14	Annex I, Table 2, Indicator No. 12				Not material
ESRS E3-4 Total water recycled and reused, para. 28, letter c)	Annex I, Table 2, Indicator No. 6.2				Not material
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations, para. 29	Annex I, Table 2, Indicator No. 6.1				Not material

Duty of disclosure and corresponding datapoint	SFDR Reference	Third-Pillar Reference	Benchmark ratios regulation reference	EU climate-law reference	Reference section
ESRS 2 SBM-3 - E4 para. 16, letter a), point i)	Annex I, Table 1, Indicator No. 7				Not material
ESRS 2 SBM-3 - E4 para. 16, letter b)	Annex I, Table 2, Indicator No. 10				Not material
ESRS 2 SBM-3 - E4 para. 16, letter c)	Annex I, Table 2, Indicator No. 14				Not material
ESRS E4-2 Sustainable land/agriculture practices or policies, para. 24, letter b)	Annex I, Table 2, Indicator No. 11				Not material
ESRS E4-2 Sustainable oceans/seas practices or policies, para. 24, letter c)	Annex I, Table 2, Indicator No. 12				Not material
ESRS E4-2 Policies to address deforestation, para. 24, letter d)	Annex I, Table 2, Indicator No. 15				Not material
ESRS E5-5 Non-recycled waste, para. 37, letter d)	Annex I, Table 2, Indicator No. 13				Not material
ESRS E5-5 Hazardous waste and radioactive waste, para. 39	Annex I, Table 1, Indicator No. 9				Not material
ESRS 2 - SBM3 - S1 Risk of incidents of forced labour, para. 14, letter f)	Annex I, Table 3, Indicator No. 13				3.1.1 Strategy: Impacts, risks and opportunities
ESRS 2 - SBM3 - S1 Risk of incidents of child labour, para. 14, letter g)	Annex I, Table 3, Indicator No. 12				3.1.1 Strategy: Impacts, risks and opportunities
ESRS S1-1 Human rights policy commitments, para. 20	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				3.1.2.1 Policies related to own workforce
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, para. 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		3.1.2.1 Policies related to own workforce
ESRS S1-1 processes and measures for preventing trafficking in human beings, para. 22	Annex I, Table 3, Indicator No. 11				3.1.2.1 Policies related to own workforce
ESRS S1-1 Workplace accident prevention policy or management system, para. 23	Annex I, Table 3, Indicator No. 1				3.1.2.1 Policies related to own workforce
ESRS S1-3 Grievance/complaints handling mechanisms, para. 32, letter c)	Annex I, Table 3, Indicator No. 5				3.1.2.3 Impacts and reporting channels
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, para. 88, letters b) and c)	Annex I, Table 3, Indicator No. 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		3.1.5 Worker welfare
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, para. 88, letter e)	Annex I, Table 3, Indicator No. 3				3.1.5 Worker welfare

Duty of disclosure and corresponding datapoint	SFDR Reference	Third-Pillar Reference	Benchmark ratios regulation reference	EU climate-law reference	Reference section
ESRS S1-16 Unadjusted gender pay gap and weighted average gender pay gap, para. 97, letter a)	Annex I, Table 1, Indicator No. 12		Commission Delegated Regulation (EU) 2020/1816, Annex II		3.1.5 Worker welfare
ESRS S1-16 Excessive CEO pay ratio, para. 97, letter b)	Annex I, Table 3, Indicator No. 8				3.1.5 Worker welfare
ESRS S1-17 Incidents of discrimination, para. 103, letter a)	Annex I, Table 3, Indicator No. 7				3.1.5 Worker welfare
ESR S1-17 Violations of UN Guiding Principles on Business and Human Rights and OECD guidelines, para. 104, letter a)	Annex I, Table 1, Indicator No. 10 and Annex I, Table 3, Indicator No. 14		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, para. 1 of Delegated Regulation (EU) 2020/1818		3.1.5 Worker welfare
ESRS 2 SBM-3 - S2 Significant risk of child labour or forced labour in the value chain, para. 11, letter b)	Annex I, Table 3, Indicators No. 12 and 13				Not material
ESRS S2-1 Human rights policy commitments, para. 17	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				Not material
ESRS S2-1 Policies related to value-chain workers, para. 18	Annex I, Table 3, Indicators No. 11 and 4				Not material
ESRS S2-1 Violations of UN Guiding Principles on Business and Human Rights and OECD guidelines, para. 19	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, para. 1 of Delegated Regulation (EU) 2020/1818		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, para. 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, para. 36	Annex I, Table 3, Indicator No. 14				Not material
ESRS S3-1 Human rights policy commitments, para. 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				3.2.2.1 Policies related to affected communities
ESRS S3-1 Violations of UN Guiding Principles on Business and Human Rights, ILO principles and OECD guidelines, para. 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, para. 1 of Delegated Regulation (EU) 2020/1818		3.2.2.1 Policies related to affected communities
ESRS S3-4 Human rights issues and incidents, para. 36	Annex I, Table 3, Indicator No. 14				3.2.3 Actions and initiatives on affected communities

Duty of disclosure and corresponding datapoint	SFDR Reference	Third-Pillar Reference	Benchmark ratios regulation reference	EU climate-law reference	Reference section
ESRS S4-1 Policies related to consumers and end-users, para. 16	Annex I, Table 3, Indicator No. 9 and Annex I, Table 1, Indicator No. 11				3.3.4 Confidentiality 3.3.5 Access to quality information and responsible business practices
ESRS S4-1 Violations of UN Guiding Principles on Business and Human Rights and OECD guidelines, para. 17	Annex I, Table 1, Indicator No. 10		Annex II of Delegated Regulation (EU) 2020/1816 and Article 12, para. 1 of Delegated Regulation (EU) 2020/1818		3.3.5 Access to quality information and responsible business practices
ESRS S4-4 Human rights issues and incidents, para. 35	Annex I, Table 3, Indicator No. 14				3.3.2 Impacts and reporting channels
ESRS G1-1 United Nations convention against corruption, para. 10, letter b)	Annex I, Table 3, Indicator No. 15				4.1.2.2 Corporate culture and business conduct policies
ESRS G1-1 Protection of whistleblowers, para. 10, letter d)	Annex I, Table 3, Indicator No. 6				4.1.2.2 Corporate culture and business conduct policies
ESRS G1-4 Fines for violations of anti-corruption and anti-bribery laws, para. 24, letter a)	Annex I, Table 3, Indicator No. 17		Annex II, Delegated Regulation (EU) 2020/1816		4.1.3.1 Prevention and detection of corruption and bribery
ESRS G1-4 Rules for the prevention of corruption or bribery, para. 24, letter b)	Annex I, Table 3, Indicator No. 16				4.1.3.1 Prevention and detection of corruption and bribery

The following chapters report on the topic-specific standards ESRS E1 (Climate Change), ESRS S1 (Own Workforce), ESRS S3 (Affected Communities), ESRS S4 (Consumers and End-Users) and ESRS G1 (Business Conduct).

2. Environmental Information

2.1 European taxonomy

2.1.1 Qualitative information

In June 2020, the European Commission issued Regulation (EU) 2020/852 with the aim of steering capital towards a more environmentally sustainable economy, in line with the EU's 2030 climate and energy targets, by establishing a corresponding classification system for these activities. In particular, this regulation defines activity as "environmentally sustainable" if it contributes substantially to at least one of the following environmental objectives, provided that it does not significantly interfere with any of the other environmental objectives and that it is carried out in compliance with minimum safeguards¹⁴:

1. climate change mitigation;
2. climate change adaptation;
3. sustainable use and protection of water and marine resources;
4. transition to a circular economy;
5. pollution prevention and control;
6. protection and restoration of biodiversity and ecosystems.

In light of this regulatory framework, accompanied by the clarifications and interpretations on the implementation of the disclosure obligations published progressively by the European Commission, as well as following the publication on 21 December 2023 of additional FAQs by the European Commission, the Cassa Centrale Group has analysed the provisions of these specific clarifications, defining the actions necessary to adhere to the latter's indications on the basis of a best-effort approach, also in consideration of the time frames and data available.

For the third year, the Cassa Centrale Group presents reporting on the KPIs (Key Performance Indicators) required by EU Delegated Regulation 2021/2178 (Disclosures Delegated Act) supplementing the EU Taxonomy Regulation (EU Regulation 2020/852) and, above all regarding the Green Asset Ratio (GAR), which considers exposure to taxonomy-aligned assets against total assets within the reporting scope.

The criteria of Commission Delegated Regulation (EU) 2021/2139 (Climate Delegated Act) were followed when verifying compliance with the "climate change mitigation" and "climate change adaptation" objectives.

The reporting and specific tables and templates with which it is structured, developed in line with the templates provided for in Article 8 of EU Delegated Act 2021/2178 (Disclosures Delegated Act), contain the reporting requirements for both financial and non-financial corporations, i.e., requiring financial corporations to report key performance indicators (KPIs) of suitability and alignment, for the financial year 2024.

According to Article 8 of Regulation (EU) 2020/852, "any undertaking which is subject to an obligation to publish non-financial information pursuant to Article 19 bis or Article 29 bis of Directive 2013/34/EU shall include in its Sustainability Report, indication (using specific KPIs) of the:

- proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under the Taxonomy;

¹⁴ The term "minimum safeguards" refers to the procedures implemented by a company to ensure that its activity is aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

- proportion of their capital expenditure and proportion of their operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable.

In accordance with templates provided by the Regulation, for the calculation of GAR KPIs, the portfolio was differentiated by type of assets and different calculation approaches were applied, where applicable. In this respect, only companies subject to the non-financial disclosure requirement (NFRD) were considered, excluding exposures to central governments, Central Banks and supranational issuers and information on the use of proceeds.

For the assessment of taxonomy-related KPIs such as eligibility and alignment, the use of actual data declared by the counterparties in their official disclosure available in 2024 (NFS relating to the year 2023) for financial and non-financial corporations is essential. In this regard, it should be noted that the collection of the non-financial statement (NFS) information was carried out with the support of an external provider; this was followed by a verification of the overall information published directly within the respective non-financial disclosure documents available and adequate data quality activities necessary for the use of the information collected through info providers. In this regard, it is specified that:

- for identification of counterparties subject to the non-financial disclosure requirement, companies that directly or indirectly meet the mandatory NFRD requirements were included. In this sense, if a counterparty contributes to the Parent Company's NFRD KPIs, it is weighted using the Parent Company's KPIs;
- In the event that a counterparty under NFRD obligation did not report the breakdown of taxonomy KPIs amongst the various taxonomy targets in its reporting, the value was attributed to the first taxonomy target (CCM), ensuring perfect alignment with the total KPIs reported by the counterparty.

The **Green Asset Ratio (GAR)** for the resulting stock, based on **turnover**, is **1.26% of total GAR assets** (approximately EUR 57 billion) and is almost entirely explained by exposures to households contributing to the climate change mitigation objective (1.19%), with exposures to corporates subject to the NFRD being insignificant (0.06%).

The **Green Asset Ratio (GAR)** for the resulting stock, based on the **capital expenditure** of the counterparty, with the exception of lending where for general lending the KPI related to turnover is used, is **1.31% of total GAR assets** (approximately EUR 57 billion), almost entirely explained by exposures to households contributing to the climate change mitigation objective (1.19%), with exposures to corporates subject to the NFRD being insignificant (0.11%).

The GAR indicator for the stock shows an increase (+29%) compared to the year ended 31 December 2023, attributable almost exclusively to the component of loans to Households secured by residential real estate (note the contribution – albeit limited – resulting from the alignment of exposures to financial counterparties, which are reported in the numerator of the GAR for the first time in the current year).

Generally speaking, the limited availability of precise information on eligibility in relation to the four taxonomy objectives, “sustainable use and protection of water and marine resources”, “Transition to a circular economy”, “Pollution prevention and control”, and “Protection and restoration of ecosystems and biodiversity”, represented – like last year – a limitation in overall disclosure, reducing the Group's eligibility/alignment percentage and making it unrepresentative of the Group's overall transition efforts.

For a better reading of the data reported, we summarise below the calculation approach adopted and some considerations for interpreting the data:

- For those counterparties that did not report the breakdown amongst the different targets in their mandatory non-financial reports, the overall share declared as eligible and aligned was attributed to the CCM target;
- households: for the eligibility KPIs, the entire portfolio of mortgages was considered with respect to real estate for which detailed energy performance certifications are available. For the alignment KPIs on the household portfolio, the focus was on the scope “of which loans collateralised by residential immovable property” (in terms of “purchase and ownership of buildings” exposures, referred to in technical screening criterion 7.7 of Delegated Regulation (EU) 2021/2139). It should be noted that the exposures aligned with the “climate change mitigation” objective were identified by investigating the energy characteristics of the underlying guarantees – in terms of precisely measured energy class – while verifying compliance with the criteria of substantial contribution and vulnerability of said guarantees to certain physical climate risks in order to verify compliance with the DNSH criteria (i.e. exposures guaranteed by residential buildings of APE class A or, alternatively, that fall within the first 15% of the national housing stock, built before 31 December 2020,

as collateral for mortgages that, based on the assessment of a physical risk engine, had a “non-material” vulnerability rating based on a set of material physical risk events). With regard to line item 25 “Households - of which: loans secured by residential real estate”, it should be noted that the counter-value of the exposure eligible for the Taxonomy is EUR 16,469.58 million, which is lower than the value of the gross accounting exposure (equal to EUR 19,497.34 million), since – with a view to conservatism and prudence – it was considered appropriate to represent as eligible for the EU Taxonomy only those exposures guaranteed by residential property recorded in the Group’s information systems with purpose and financing destination codes relating to those considered eligible by the EU Taxonomy (i.e. financing purposes relating to the purchase of homes for Households or other parties, excluding exposures not clearly attributable to similar purposes). As for Taxonomy activity “7.2. Renovation of existing buildings” it was also not possible to conduct an assessment of alignment with the EU Taxonomy, as not all the information needed to assess compliance with regulatory requirements was available in Group information systems. Again, due to the lack of specific reliable information needed, it was not possible to identify the alignment value for “Motor vehicle loans”, with consideration instead only of the entire portfolio of loans granted for the purchase of motor vehicles with regard to eligibility;

- off-balance sheet exposures: only companies within the NFRD scope were considered, excluding exposures to central governments, Central Banks and supranational issuers. The scope of Assets Under Management includes collective investment funds, pension products and asset management. Aggregated portfolio KPIs, the result of calculations performed on actual KPIs available from the funds’ underlying counterparties, were collected through an external provider;
- Model 4 “GAR KPI (flow)” contains evidence of the % values for GAR on the flow of new exposures on the balance sheet, with total assets covered as at the date taken as the denominator (same denominator as stock GAR). Specifically, i) with regard to corporate and family loans, the figure for flows was calculated by analysing new exposures arising during 2024, taking into account the value of the ratio at the reference date; ii) with regard to debt and equity instruments, purchases of securities made during 2024 were analysed.

Finally, it should be noted that, with reference to financial year 2024, the regulations require credit institutions to represent key performance indicators in a tabular format, using the templates set out in Annex VI of Commission Delegated Regulation (EU) 2021/2178, and in particular:

- Template 0 – Summary of KPIs: to be completed with evidence of the main KPIs in millions of EUR and the % values for the main KPI and the additional KPIs that credit institutions report pursuant to Article 8 of the Taxonomy Regulation;
- Template 1 – Assets for the calculation of GAR: to be completed with evidence of the on-balance sheet and off-balance sheet exposure values in millions of EUR as at 31/12/2024;
- Template 2 GAR – Sector information: the table contains evidence of exposures (overall and green) to non-financial corporations, broken down according to the prevalent NACE of those counterparties;
- Template 3 GAR KPI (Stock): % values for GAR on the stock of on-balance sheet exposures calculated using the information in Template 1;
- Template 4 GAR KPI (Flow): % values for the GAR on the flow of on-balance sheet exposures;
- Template 5 – KPI for off-balance sheet exposures: % values for the KPI on the stock and flow of off-balance sheet exposures. With regard to the stock figure on KPIs for off-balance sheet exposures, the % values are calculated using the information in Template 1.

For a complete overview of these statements, see Section 2.1.2 Disclosure pursuant to Annex VI of Delegated Regulation 2021/2178.

With reference to the additional information required pursuant to Annex XII of the EU Delegated Regulation 2022/1214 on nuclear-energy and fossil-gas, the following is a list of templates for product disclosure:

- Template 1 - Nuclear and fossil gas related activities;
- Template 2 - Taxonomy-aligned economic activities (denominator);
- Template 3 - Taxonomy-aligned economic activities (numerator);
- Template 4 - Taxonomy-eligible but not taxonomy-aligned economic activities;
- Template 5 - Taxonomy non-eligible economic activities.

For the full view of these prospectuses, please refer to Section 2.1.3 Additional disclosure on nuclear energy and fossil gas activities pursuant to Annex XII of Delegated Regulation 2022/1214.

2.1.2 Disclosure pursuant to Annex VI of Commission Delegated Regulation (EU) 2021/2178

(figures expressed in millions of euro)

Template 0 – Summary of KPIs to be reported by credit institutions pursuant to Article 8 of the Taxonomy Regulation (Annex VI Reg 2178)

		Total environmentally sustainable assets (Turnover)	KPI****	KPI*****	% Coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7, paras. 2 and 3, and point 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7, para. 1, and point 1.2.4 of Annex V)
Main KPI	GAR (green asset ratio) stock	716.218	1.26%	1.31%	63.92%	40.27%	36.08%

		Total environmentally sustainable assets (Turnover)	KPI	KPI	% of assets covered (over bank's total assets)	% of assets excluded from the numerator of the GAR (Article 7, paras. 2 and 3, and point 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article 7, para. 1, and point 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	163.108	1.78%	1.93%	49.51%	32.98%	50.49%
	Trading book*	-	-	-			
	Financial guarantees	0.073	44.37%	19.55%			
	Assets under management	73.969	12.17%	19.53%			
	Fees and commissions income**	-	-	-			

* For credit institutions that do not meet the conditions of Article 94, para. 1 of the CRR or the conditions set out in Article 325 bis, para. 1. of the CRR. The KPIs for trading portfolio (sheet 7) only apply as of 2026. The inclusion of SMEs in these KPIs will be subject to the positive outcome of an impact assessment.

** Fees and commissions income from services other than lending and AuM.

Institutions shall disclose forward-looking information for these KPIs, including information in terms of targets, together with relevant explanations of the methodology applied. The KPIs for commissions and fees (sheet 6) only apply from 2026. The inclusion of SMEs in these KPIs will be subject to the positive outcome of an impact assessment.

*** % of assets covered by the KPI over bank's total assets.

**** based on the Turnover KPI of the counterparty.

***** based on the Capex KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used.

Turnover KPI

Template 1 - Assets for GAR calculation (Annex VI Reg 2178) - Turnover KPI – Stock 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	
		2024 disclosure reference data																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)									
		Of which towards taxonomy relevant sectors (taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (taxonomy-eligible)									
		Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)							
					Of which specialised lending	Of which transitional	Of which enabling				Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
GAR - Covered assets in both numerator, and denominator																																	
1	Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	21,052.454	17,400.323	711.097	-	1.799	10.886	0.960	0.028	-	0.039	0.371	0.104	-	-	0.744	0.262	-	-	0.012	0.000	-	-	0.020	-	-	-	17,402.429	711.491	-	1.799	10.925	
2	Financial corporations	511.877	93.318	10.801	-	0.825	1.090	0.850	0.025	-	0.036	0.045	-	-	-	0.289	0.036	-	-	0.009	-	-	-	0.018	-	-	-	94.529	10.862	-	0.825	1.126	
3	Credit institutions	333.113	72.271	5.855	-	0.750	0.804	0.018	0.010	-	-	-	-	-	-	0.002	-	-	-	-	-	-	-	-	-	-	72.291	5.865	-	0.750	0.804		
4	Loans and advances	21.886	4.830	0.265	-	0.003	0.006	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.830	0.265	-	0.003	0.006		
5	Debt securities, including UoP	301.545	65.221	5.449	-	0.742	0.789	0.018	0.010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65.239	5.459	-	0.742	0.789		
6	Equity instruments	9.682	2.220	0.141		0.005	0.009	0.000	0.000		-	-	-		-	0.002	-		-	-	-	-	-	-	-	-	2.222	0.141		0.005	0.009		
7	Other financial corporations	178.764	21.047	4.946	-	0.075	0.286	0.832	0.015	-	0.036	0.045	-	-	-	0.287	0.036	-	-	0.009	-	-	-	0.018	-	-	-	22.238	4.997	-	0.075	0.322	
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	of which management companies	5.947	0.023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.023	-	-	-	-	-	
13	Loans and advances	5.947	0.023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.023	-	-	-	-	-	
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	of which insurance companies	46.225	8.633	1.538	-	0.002	0.277	0.006	0.006	-	0.019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.639	1.543	-	0.002	0.295		
17	Loans and advances	42.564	8.005	1.460	-	0.002	0.268	0.003	0.003	-	0.018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.008	1.463	-	0.002	0.286		
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Equity instruments	3.661	0.629	0.078		0.001	0.008	0.002	0.002		0.001	-	-		-	-	-	-	-	-	-	-	-	-	-	-	0.631	0.080		0.001	0.009		
20	Non-financial corporations	165.476	52.921	20.482	-	0.975	9.796	0.109	0.003	-	0.003	0.326	0.104	-	-	0.455	0.226	-	-	0.003	0.000	-	-	0.002	-	-	-	53.816	20.815	-	0.975	9.799	
21	Loans and advances	125.822	38.119	11.315	-	0.000	4.683	0.003	0.000	-	0.000	0.210	0.003	-	-	0.267	0.129	-	-	0.000	0.000	-	-	0.002	-	-	-	38.601	11.446	-	0.000	4.683	
22	Debt securities, including UoP	33.275	13.096	8.290	-	0.956	4.545	0.100	0.003	-	0.003	0.015	0.015	-	-	0.031	0.001	-	-	0.002	0.000	-	-	-	-	-	13.244	8.309	-	0.956	4.548		
23	Equity instruments	6.379	1.706	0.877		0.019	0.568	0.007	0.000		0.000	0.100	0.086		-	0.157	0.097		-	0.000	-		-	-	-		1.970	1.060		0.019	0.568		
24	Households	20,271.135	17,243.379	679.814	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-	-	-	-	17,243.379	679.814	-	-	-	-	
25	of which loans collateralised by residential immovable property	19,497.339	16,469.583	679.814	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-	-	-	-	16,469.583	679.814	-	-	-	-	
26	of which building renovation loans	714.718	714.718	-	-	-	-	-	-	-	-					-	-	-	-	-	-	-	-	-	-	-	714.718	-	-	-	-	-	
27	of which motor vehicle loans	59.078	59.078	-	-	-	-									-	-	-	-	-	-	-	-	-	-	-	59.078	-	-	-	-	-	

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae					
		2024 disclosure reference data																																			
		Total (gross) carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)					Circular economy (CE)					Pollution (PPC)					Biodiversity and ecosystems (BIO)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (taxonomy-eligible)				
			Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling				Of which specialised lending	Of which enabling				Of which specialised lending	Of which enabling				Of which specialised lending	Of which enabling				Of which specialised lending	Of which enabling				Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling		
28	Local governments financing	103.965	10.706	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.706	-	-	-	-
29	Construction loans	10.706	10.706	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.706	-	-	-	-
30	Other local government financing	93.259	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
31	Collateral obtained by taking possession: residential and non-residential immovable properties	41.481	41.481	4.727	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41.481	4.727	-	-	-	
32	Other assets excluded from the numerator for GAR calculation (covered in the denominator)	35,911.152	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
33	Financial and non-financial corporations	24,795.976																																			
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	24,769.043																																			
35	Loans and advances	24,199.155																																			
36	of which loans collateralised by commercial immovable property	-																																			
37	of which building renovation loans	-																																			
38	Debt securities	326.493																																			
39	Equity instruments	243.395																																			
40	Non-EU counterparties not subject to NFRD disclosure obligations	26.933																																			
41	Loans and advances	7.309																																			
42	Debt securities	16.417																																			
43	Equity instruments	3.208																																			
44	Derivatives	69.517																																			
45	On demand interbank loans	102.869																																			
46	Cash and cash-related assets	602.292																																			
47	Other assets (e.g. goodwill, commodities, etc.)	10,340.497																																			
48	Total GAR assets	57,005.087	17,441.804	715.824	-	1.799	10.886	0.960	0.028	-	0.039	0.371	0.104	-	-	0.744	0.262	-	-	0.012	0.000	-	-	0.020	-	-	-	-	-	-	17,443.910	716.218	-	1.799	10.925		
49	Asset not covered for GAR calculation	32,178.309																																			
50	Sovereigns	31,506.437																																			
51	Central Banks exposure	665.907																																			
52	Trading book	5.964																																			
53	Total assets	89,183.396																																			
Off-balance sheet exposures - Corporates subject to Non-Financial Reporting Directive (NFRD) disclosure obligations																																					
54	Financial guarantees	0.165	0.103	0.073	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.103	0.073	-	-	-		
55	Assets under management	607.607	149.722	71.283	-	4.807	39.904	0.808	0.025	-	0.012	2.904	2.555	-	-	0.790	0.054	-	-	0.577	0.052	-	-	0.006	-	-	-	-	-	-	154.807	73.969	-	4.807	39.916		
56	Of which debt securities	408.717	103.766	51.653	-	3.203	27.301	0.468	0.012	-	0.003	2.461	2.165	-	-	0.608	0.048	-	-	0.090	0.012	-	-	0.006	-	-	-	-	-	-	107.400	53.890	-	3.203	27.304		
57	Of which equity instruments	198.889	45.955	19.631	-	1.604	12.603	0.340	0.013	-	0.009	0.442	0.390	-	-	0.182	0.006	-	-	0.487	0.040	-	-	-	-	-	-	-	-	-	47.407	20.079	-	1.604	12.612		

Template 1 - Assets for GAR calculation (Annex VI Reg 2178) - Turnover KPI - Stock 2023

	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
Total (gross) carrying amount	2023 disclosure reference data																														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)									
	Of which towards taxonomy relevant sectors (taxonomy-eligible)					Of which towards taxonomy relevant sectors (taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (taxonomy-eligible)									
	Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)									
	Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional
GAR - Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	26,371.953	2,803.857	245.672	-	8.196	7.039	13,579.329	310.332	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,383.186	556.004	-	8.196	7.039
2 Financial corporations	389.595	65.440	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65.440	-	-	-	-
3 Credit institutions	231.784	60.171	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	60.171	-	-	-	-
4 Loans and advances	18.165	4.108	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.108	-	-	-	-
5 Debt securities, including UoP	205.573	53.884	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53.884	-	-	-	-
6 Equity instruments	8.046	2.179	-		-	-	-	-		-	-		-	-		-		-	-		-	-		-		-	2.179	-		-	-
7 Other financial corporations	157.811	5.269	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.269	-	-	-	-
8 of which investment firms	1.734	0.387	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.387	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	1.494	0.333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.333	-	-	-	-
11 Equity instruments	0.239	0.053	-		-	-	-	-		-	-		-	-		-		-	-		-	-		-		-	0.053	-		-	-
12 of which management companies	94.454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Loans and advances	71.073	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	23.381	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity instruments	-	-	-		-	-	-	-		-	-		-	-		-		-	-		-	-		-		-	-	-		-	-
16 of which insurance companies	38.548	4.857	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.857	-	-	-	-
17 Loans and advances	36.874	4.646	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.646	-	-	-	-
18 Debt securities, including UoP	0.519	0.065	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.065	-	-	-	-
19 Equity instruments	1.155	0.146	-		-	-	-	-		-	-		-	-		-		-	-		-	-		-		-	0.146	-		-	-
20 Non-financial corporations	180.221	41.675	22.025	-	8.196	7.039	0.055	0.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41.731	22.025	-	8.196	7.039
21 Loans and advances	141.036	32.620	16.645	-	8.135	4.284	0.014	0.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32.633	16.645	-	8.135	4.284
22 Debt securities, including UoP	32.576	7.959	4.727	-	0.061	2.390	0.039	0.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.998	4.727	-	0.061	2.390
23 Equity instruments	6.609	1.096	0.653		-	0.364	0.003	0.000		-	-		-	-		-		-	-		-	-		-		-	1.099	0.653		-	0.364
24 Households	25,688.441	2,672.949	223.647	-	-	-	13,579.011	310.110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,251.959	533.756	-	-	-
25 of which loans collateralised by residential immovable property	18,798.210	1,967.273	223.647	-	-	-	13,579.011	310.110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,546.283	533.756	-	-	-
26 of which building renovation loans	697.226	697.226	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	697.226	-	-	-	-
27 of which motor vehicle loans	8.450	8.450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.450	-	-	-	-
28 Local governments financing	113.433	23.793	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23.793	-	-	-	-
29 Construction loans	0.125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Other local government financing	113.308	23.793	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23.793	-	-	-	-

GRUPPO CASSA CENTRALE — REPORT AND CONSOLIDATED FINANCIAL STATEMENTS OF THE CASSA CENTRALE GROUP 221

Template 1 - Assets for GAR calculation (Annex VI Reg 2178) - Turnover KPI - Flow 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	
		2024 disclosure reference data																															
		Total (gross) carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)								
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
			Of which environmentally sustainable (Taxonomy-aligned)			Of which specialised lending	Of which transitional	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)			Of which specialised lending	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)			Of which specialised lending	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)			Of which specialised lending	Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)			Of which specialised lending	Of which transitional	Of which enabling				
GAR - Covered assets in both numerator and denominator																																	
1	Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	3,068.073	2,558.908	163.062	-	1.464	4.040	0.052	0.009	-	0.002	0.002	0.000	-	-	0.072	0.002	-	-	0.000	0.000	-	-	0.002	-	-	-	2,559.037	163.072	-	1.464	4.041	
2	Financial corporations	226.132	47.046	3.887	-	0.636	0.567	0.051	0.009	-	0.002	0.002	-	-	-	0.013	0.002	-	-	0.000	-	-	-	0.001	-	-	-	47.113	3.898	-	0.636	0.569	
3	Credit institutions	221.999	46.593	3.742	-	0.633	0.567	0.015	0.009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46.607	3.751	-	0.633	0.567	
4	Loans and advances	4.022	0.924	0.081	-	0.003	0.006	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.924	0.081	-	0.003	0.006	
5	Debt securities, including UoP	217.977	45.668	3.661	-	0.630	0.560	0.015	0.009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45.683	3.670	-	0.630	0.560	
6	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	Other financial corporations	4.133	0.453	0.145	-	0.003	0.001	0.036	0.000	-	0.002	0.002	-	-	-	0.013	0.002	-	-	0.000	-	-	-	0.001	-	-	-	0.505	0.147	-	0.003	0.003	
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	of which insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	Non-financial corporations	56.012	13.948	10.520	-	0.828	3.472	0.002	0.000	-	0.000	0.000	0.000	-	-	0.059	0.000	-	-	0.000	0.000	-	-	0.002	-	-	-	14.011	10.520	-	0.828	3.472	
21	Loans and advances	47.387	8.425	8.144	-	0.000	2.043	0.000	-	-	-	0.000	0.000	-	-	0.059	0.000	-	-	0.000	0.000	-	-	0.002	-	-	-	8.486	8.144	-	0.000	2.043	
22	Debt securities, including UoP	8.301	5.313	2.282	-	0.828	1.336	0.001	0.000	-	0.000	-	-	-	-	0.000	-	-	-	-	-	-	-	-	-	-	-	5.314	2.282	-	0.828	1.336	
23	Equity instruments	0.324	0.210	0.093	-	-	0.093	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.210	0.093	-	-	0.093	
24	Households	2,775.616	2,497.523	148.655	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,497.523	148.655	-	-	-	-	
25	of which loans collateralised by residential immovable property	2,595.295	2,317.201	148.655	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,317.201	148.655	-	-	-	-	
26	of which building renovation loans	139.379	139.379	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	139.379	-	-	-	-	-	
27	of which motor vehicle loans	40.942	40.942	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40.942	-	-	-	-	-	
28	Local governments financing	10.313	0.392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.392	-	-	-	-	-	
29	Construction loans	0.392	0.392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.392	-	-	-	-	-	
30	Other local government financing	9.921	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	
		2024 disclosure reference data																															
Total (gross) carrying amount		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)											
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)											
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)											
			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			
31	Collateral obtained by taking possession: residential and non-residential immovable properties	0.262	0.262	0.036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.262	0.036	-	-	-
32	Other assets excluded from the numerator for GAR calculation (covered in the denominator)	6,120.590	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
33	Financial and non-financial corporations	4,829.064																															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	4,825.677																															
35	Loans and advances	4,738.059																															
36	of which loans collateralised by commercial immovable property	-																															
37	of which building renovation loans	-																															
38	Debt securities	60.414																															
39	Equity instruments	27.204																															
40	Non-EU counterparties not subject to NFRD disclosure obligations	3.387																															
41	Loans and advances	1.586																															
42	Debt securities	1.801																															
43	Equity instruments	-																															
44	Derivatives	-																															
45	On demand interbank loans	-																															
46	Cash and cash-related assets	22.962																															
47	Other assets (e.g. goodwill, commodities, etc.)	1,268.565																															
48	Total GAR assets	9,188.926	2,559.170	163.097	-	1.464	4.040	0.052	0.009	-	0.002	0.002	0.000	-	-	0.072	0.002	-	-	0.000	0.000	-	-	0.002	-	-	-	-	2,559.300	163.108	-	1.464	4.041
49	Asset not covered for GAR calculation	9,370.513																															
50	Sovereigns	9,303.896																															
51	Central Banks exposure	66.100																															
52	Trading book	0.517																															
53	Total assets	18,559.439																															
Off-balance sheet exposures - Corporates subject to Non-Financial Reporting Directive (NFRD) disclosure obligations																																	
54	Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
55	Assets under management	108.634	29.049	14.059	-	1.447	6.681	0.070	0.034	-	0.025	0.186	0.175	-	-	0.115	0.013	-	-	0.028	0.004	-	-	0.001	-	-	-	29.449	14.285	-	1.447	6.706	
56	Of which debt securities	96.332	27.083	13.508	-	1.433	6.437	0.069	0.034	-	0.025	0.085	0.078	-	-	0.072	0.008	-	-	0.012	0.002	-	-	0.001	-	-	-	27.322	13.629	-	1.433	6.462	
57	Of which equity instruments	12.302	1.966	0.551	-	0.014	0.244	0.000	-	-	-	0.101	0.097	-	-	0.044	0.006	-	-	0.016	0.002	-	-	-	-	-	-	2.127	0.656	-	0.014	0.244	

Template 2 - GAR - Sector Information (Annex VI Reg 2178) - Turnover KPI – 2024

Breakdown by sector – 4-digit NACE level (code and brand)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD	
	Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)	
	Of which eligible (CCM)	Of which environmentally sustainable (CCM)	Of which eligible (CCM)	Of which environmentally sustainable (CCM)	Of which eligible (CCA)	Of which environmentally sustainable (CCA)	Of which eligible (CCA)	Of which environmentally sustainable (CCA)	Of which eligible (WTR)	Of which environmentally sustainable (WTR)	Of which eligible (WTR)	Of which environmentally sustainable (WTR)	Of which eligible (CE)	Of which environmentally sustainable (CE)	Of which eligible (CE)	Of which environmentally sustainable (CE)	Of which eligible (PPC)	Of which environmentally sustainable (PPC)	Of which eligible (PPC)	Of which environmentally sustainable (PPC)	Of which eligible (BIO)	Of which environmentally sustainable (BIO)	Of which eligible (BIO)	Of which environmentally sustainable (BIO)	Of which eligible (CCM + CCA + WTR + CE + PPC + BIO)	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Of which eligible (CCM + CCA + WTR + CE + PPC + BIO)	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1 0111 - Growing of cereals (except rice), grain legumes and oilseeds	0.000	-			0.000	-			-	-			-	-			-	-			0.002	-			0.003	-		
2 0610 - Extraction of crude petroleum	0.183	0.033			-	-			-	-			-	-			-	-			-	-			0.183	0.033		
3 1413 - Manufacture of other outerwear	0.003	-			-	-			-	-			-	-			-	-			-	-			0.003	-		
4 2060 - Manufacture of man-made fibres	1.073	0.220			-	-			-	-			-	-			-	-			-	-			1.073	0.220		
5 2223 - Manufacture of builders' ware of plastic	0.041	-			-	-			-	-			-	-			-	-			-	-			0.041	-		
6 2512 - Manufacture of metal doors and windows	0.059	0.011			-	-			-	-			-	-			-	-			-	-			0.059	0.011		
7 2562 - General mechanical work	0.010	-			-	-			-	-			-	-			-	-			-	-			0.010	-		
8 2573 - Manufacture of tools	0.037	-			-	-			-	-			-	-			-	-			-	-			0.037	-		
9 2611 - Manufacture of electronic components	0.337	0.248			-	-			-	-			0.059	-			-	-			-	-			0.396	0.248		
10 2821 - Manufacture of ovens, furnaces and heating systems	0.016	-			-	-			-	-			-	-			-	-			-	-			0.016	-		
11 2893 - Manufacture of machinery for food, beverage and tobacco processing	0.199	0.037			-	-			-	-			-	-			-	-			-	-			0.199	0.037		
12 2910 - Manufacture of motor vehicles	0.648	0.648			-	-			0.207	-			-	-			-	-			-	-			0.855	0.648		
13 3011 - Building of ships and floating structures	2.886	0.719			-	-			-	-			-	-			-	-			-	-			2.886	0.719		
14 3030 - Manufacture of air and spacecraft and related machinery	-	-			0.063	-			-	-			-	-			-	-			-	-			0.063	-		
15 3091 - Manufacture of motorcycles	0.182	0.013			-	-			-	-			-	-			-	-			-	-			0.182	0.013		
16 3511 - Production of electricity	8.568	8.151			-	-			0.100	0.086			0.000	-			0.000	-			-	-			8.669	8.237		
17 3512 - Transmission of electricity	0.179	0.171			-	-			-	-			-	-			-	-			-	-			0.179	0.171		
18 3522 - Distribution of gaseous fuels through mains	0.026	-			-	-			-	-			-	-			-	-			-	-			0.026	-		
19 3600 - Water collection, treatment and supply	0.045	0.042			-	-			0.018	0.017			0.001	0.001			0.002	0.000			-	-			0.066	0.061		
20 3832 - Recovery of sorted materials	0.000	0.000			-	-			0.000	0.000			0.000	-			0.000	-			-	-			0.001	0.000		
21 4212 - Construction of railways and underground railways	0.313	0.145			0.006	0.002			-	-			-	-			-	-			-	-			0.319	0.148		
22 4322 - Plumbing, heat and air-conditioning installation	0.003	-			-	-			-	-			-	-			-	-			-	-			0.003	-		
23 4642 - Wholesale of clothing and footwear	0.001	-			-	-			-	-			-	-			-	-			-	-			0.001	-		
24 4931 - Urban and suburban passenger land transport	2.028	1.312			-	-			-	-			-	-			-	-			-	-			2.028	1.312		
25 5221 - Service activities incidental to land transportation	0.000	0.000			-	-			-	-			0.002	-			-	-			-	-			0.002	0.000		
26 5310 - Postal activities under universal service obligation	0.272	0.027			-	-			-	-			-	-			-	-			-	-			0.272	0.027		
27 6110 - Wired telecommunications activities	0.117	-			0.035	0.001			-	-			0.001	-			-	-			-	-			0.153	0.001		
28 7010 - Activities of head offices	34.376	8.024			-	-			-	-			0.028	-			0.000	-			-	-			34.404	8.024		
29 7739 - Renting of other machinery, equipment and tangible goods n.e.c.	0.165	-			0.002	-			-	-			0.208	0.128			-	-			-	-			0.375	0.128		
30 8230 - Organisation of conventions and trade shows	0.124	-			0.002	-			-	-			0.156	0.097			-	-			-	-			0.282	0.097		
31 8622 - Specialist medical practice services	0.006	0.006			-	-			-	-			-	-			-	-			-	-			0.006	0.006		
...	1.026	0.676			-	-			-	-			-	-			-	-			-	-			1.026	0.676		

Template 3 - GAR KPI (stock) - (Annex VI Reg 2178) - Turnover KPI - 2024

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
% (compared to total covered assets in the denominator)	2024 disclosure reference data																														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered	
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
	Of which specialised lending		Of which transitional	Of which enabling		Of which specialised lending		Of which transitional	Of which enabling		Of which specialised lending		Of which transitional	Of which enabling		Of which specialised lending		Of which transitional	Of which enabling		Of which specialised lending		Of which transitional	Of which enabling		Of which specialised lending		Of which transitional	Of which enabling		
GAR - Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	30.52%	1.25%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	30.53%	1.25%	0.00%	0.00%	0.02%	23.61%
2 Financial corporations	0.16%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%	0.02%	0.00%	0.00%	0.00%	0.57%
3 Credit institutions	0.13%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.01%	0.00%	0.00%	0.00%	0.37%
4 Loans and advances	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.02%
5 Debt securities, including UoP	0.11%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%	0.01%	0.00%	0.00%	0.00%	0.34%
6 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
7 Other financial corporations	0.04%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%	0.01%	0.00%	0.00%	0.00%	0.20%
8 of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
13 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
14 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16 of which insurance companies	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.05%
17 Loans and advances	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.05%
18 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20 Non-financial corporations	0.09%	0.04%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.04%	0.00%	0.00%	0.02%	0.19%
21 Loans and advances	0.07%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.02%	0.00%	0.00%	0.01%	0.14%
22 Debt securities, including UoP	0.02%	0.01%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%	0.01%	0.04%
23 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
24 Households	30.25%	1.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									30.25%	1.19%	0.00%	0.00%	0.00%		22.73%
25 of which loans collateralised by residential immovable property	28.89%	1.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									28.89%	1.19%	0.00%	0.00%	0.00%		21.86%
26 of which building renovation loans	1.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									1.25%	0.00%	0.00%	0.00%	0.00%		0.80%
27 of which motor vehicle loans	0.10%	0.00%	0.00%	0.00%	0.00%								0.00%	0.00%	0.00%	0.00%									0.10%	0.00%	0.00%	0.00%	0.00%		0.07%
28 Local governments financing	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.12%	
29 Construction loans	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.01%	
30 Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%
31 Collateral obtained by taking possession: residential and non-residential immovable properties	0.07%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.01%	0.00%	0.00%	0.00%	0.05%	
32 Total GAR assets	30.60%	1.26%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	30.60%	1.26%	0.00%	0.00%	0.02%	63.92%	

Template 3 - GAR KPI (stock) - (Annex VI Reg 2178) - Turnover KPI - 2023

	af	ag	ah	at	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj
% (compared to total covered assets in the denominator)	2023 disclosure reference data																														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
		Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling				Of which specialised lending	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	10.63%	0.93%	0.00%	0.03%	0.03%	51.49%	1.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	62.12%	2.11%	0.00%	0.03%	0.03%	46.47%
2 Financial corporations	16.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.80%	0.00%	0.00%	0.00%	0.00%	0.69%
3 Credit institutions	25.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.96%	0.00%	0.00%	0.00%	0.00%	0.41%
4 Loans and advances	22.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	22.61%	0.00%	0.00%	0.00%	0.00%	0.03%
5 Debt securities, including UoP	26.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.21%	0.00%	0.00%	0.00%	0.00%	0.36%
6 Equity instruments	27.09%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	27.09%	0.00%		0.00%	0.00%	0.01%	
7 Other financial corporations	3.34%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.34%	0.00%	0.00%	0.00%	0.00%	0.28%
8 of which investment firms	22.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	22.30%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Loans and advances																															0.00%
10 Debt securities, including UoP	22.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	22.30%	0.00%	0.00%	0.00%	0.00%	0.00%
11 Equity instruments	22.30%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	22.30%	0.00%		0.00%	0.00%	0.00%	0.00%
12 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%
13 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%
14 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%
15 Equity instruments																															0.00%
16 of which insurance companies	12.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.60%	0.00%	0.00%	0.00%	0.00%	0.07%
17 Loans and advances	12.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.60%	0.00%	0.00%	0.00%	0.00%	0.06%
18 Debt securities, including UoP	12.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.60%	0.00%	0.00%	0.00%	0.00%	0.00%
19 Equity instruments	12.60%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	12.60%	0.00%		0.00%	0.00%	0.00%	0.00%
20 Non-financial corporations	23.12%	12.22%	0.00%	4.55%	3.91%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.16%	12.22%	0.00%	4.55%	3.91%	0.32%
21 Loans and advances	23.13%	11.80%	0.00%	5.77%	3.04%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.14%	11.80%	0.00%	5.77%	3.04%	0.25%
22 Debt securities, including UoP	24.43%	14.51%	0.00%	0.19%	7.34%	0.12%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	24.55%	14.51%	0.00%	0.19%	7.34%	0.06%
23 Equity instruments	16.59%	9.88%		0.00%	5.51%	0.04%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	16.63%	9.88%		0.00%	5.51%	0.01%	
24 Households	10.41%	0.87%	0.00%	0.00%	0.00%	52.86%	1.21%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									63.27%	2.08%	0.00%	0.00%	0.00%	0.00%	45.27%
25 of which loans collateralised by residential immovable property	10.47%	1.19%	0.00%	0.00%	0.00%	72.24%	1.65%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									82.70%	2.84%	0.00%	0.00%	0.00%	0.00%	33.13%
26 of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.23%
27 of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%																										
28 Local governments financing	20.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.98%	0.00%	0.00%	0.00%	0.00%	0.20%
29 Construction loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30 Other local government financing	21.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	21.00%	0.00%	0.00%	0.00%	0.00%	0.20%
31 Collateral obtained by taking possession: residential and non-residential immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	84.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	84.69%	0.00%	0.00%	0.00%	0.00%
32 Total GAR assets	4.94%	0.43%	0.00%	0.01%	0.01%	23.93%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28.87%	0.98%	0.00%	0.01%	0.01%	100.00%

Template 4 - GAR KPI (flow) - (Annex VI Reg 2178) - Turnover KPI - 2024

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
% (compared to total covered assets in the denominator)	2024 disclosure reference data																														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total assets covered			
	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which transitional	Of which enabling	
GAR - Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	27.85%	1.77%	0.00%	0.02%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.85%	1.77%	0.00%	0.02%	0.04%	16.53%
2 Financial corporations	0.51%	0.04%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	0.04%	0.00%	0.01%	0.01%	1.22%
3 Credit institutions	0.51%	0.04%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	0.04%	0.00%	0.01%	0.01%	1.20%
4 Loans and advances	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.02%
5 Debt securities, including UoP	0.50%	0.04%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.04%	0.00%	0.01%	0.01%	1.17%
6 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7 Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.02%
8 of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16 of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20 Non-financial corporations	0.15%	0.11%	0.00%	0.01%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.11%	0.00%	0.01%	0.04%	0.30%
21 Loans and advances	0.09%	0.09%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.09%	0.00%	0.00%	0.02%	0.26%
22 Debt securities, including UoP	0.06%	0.02%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%	0.02%	0.00%	0.01%	0.01%	0.04%
23 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24 Households	27.18%	1.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.18%	1.62%	0.00%	0.00%	0.00%	14.96%
25 of which loans collateralised by residential immovable property	25.22%	1.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.22%	1.62%	0.00%	0.00%	0.00%	13.98%
26 of which building renovation loans	1.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.52%	0.00%	0.00%	0.00%	0.00%	0.75%
27 of which motor vehicle loans	0.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.45%	0.00%	0.00%	0.00%	0.00%	0.22%
28 Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%
29 Construction loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30 Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%
31 Collateral obtained by taking possession: residential and non-residential immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32 Total GAR assets	27.85%	1.77%	0.00%	0.02%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	27.85%	1.78%	0.00%	0.02%	0.04%	49.51%

[illegible]

Capital Expenditure KPI

Template 1 - Assets for GAR calculation (Annex VI Reg 2178) - Capex KPI - Stock 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	
		2024 disclosure reference data																															
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Of which towards taxonomy relevant sectors (taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (taxonomy-eligible)					
		Of which environmentally sustainable (taxonomy-aligned)						Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)					
Total (gross) carrying amount																																	
GAR - Covered assets in both numerator, and denominator																																	
1	Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	21,052.454	17,440.382	742.802	-	1.552	32.231	2.738	0.184	-	0.008	0.354	0.241	-	-	0.550	0.146	-	-	0.025	0.008	-	-	0.036	-	-	-	17,444.085	743.382	-	1.552	32.239	
2	Financial corporations	511.877	100.313	16.240	-	1.348	2.478	2.482	0.112	-	0.007	0.045	-	-	-	0.235	-	-	-	0.009	-	-	-	0.018	-	-	-	103.101	16.351	-	1.348	2.486	
3	Credit institutions	333.113	73.248	7.574	-	0.715	1.842	0.054	0.045	-	-	-	-	-	-	0.002	-	-	-	-	-	-	-	-	-	-	73.303	7.619	-	0.715	1.842		
4	Loans and advances	21.886	4.931	0.371	-	0.002	0.103	0.001	0.001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.932	0.372	-	0.002	0.103		
5	Debt securities, including UoP	301.545	66.107	7.057	-	0.707	1.721	0.052	0.043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66.159	7.100	-	0.707	1.721		
6	Equity instruments	9.682	2.211	0.147		0.005	0.018	0.001	0.000			-	-	-	-	0.002	-		-	-	-		-	-	-		2.213	0.147		0.005	0.018		
7	Other financial corporations	178.764	27.064	8.666	-	0.633	0.636	2.428	0.067	-	0.007	0.045	-	-	-	0.233	-	-	-	0.009	-	-	-	0.018	-	-	-	29.798	8.732	-	0.633	0.643	
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11	Equity instruments	-	-	-		-	-	-			-	-	-			-	-			-	-			-			-	-			-	-	
12	of which management companies	5.947	0.009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.009	-	-	-	-	-	
13	Loans and advances	5.947	0.009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.009	-	-	-	-	-	
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15	Equity instruments	-	-	-		-	-	-			-	-	-			-	-			-	-			-			-	-			-	-	
16	of which insurance companies	46.225	8.498	2.054	-	0.044	0.513	0.040	0.040	-	0.007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.538	2.094	-	0.044	0.520		
17	Loans and advances	42.564	8.198	1.947	-	0.041	0.497	0.038	0.038	-	0.004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.236	1.985	-	0.041	0.502		
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19	Equity instruments	3.661	0.300	0.107		0.002	0.015	0.002	0.002		0.003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.302	0.109		0.002	0.018		
20	Non-financial corporations	165.476	85.985	46.749	-	0.204	29.753	0.257	0.073	-	0.000	0.309	0.241	-	-	0.315	0.146	-	-	0.016	0.008	-	-	0.018	-	-	-	86.899	47.217	-	0.204	29.754	
21	Loans and advances	125.822	63.912	28.612	-	0.001	18.245	0.041	0.000	-	0.000	0.053	0.013	-	-	0.145	0.082	-	-	0.007	0.001	-	-	0.018	-	-	-	64.175	28.708	-	0.001	18.245	
22	Debt securities, including UoP	33.275	19.142	15.826	-	0.169	10.131	0.215	0.073	-	0.000	0.077	0.074	-	-	0.084	0.003	-	-	0.009	0.007	-	-	-	-	-	-	19.528	15.983	-	0.169	10.131	
23	Equity instruments	6.379	2.931	2.311		0.034	1.377	0.001	0.000		0.000	0.178	0.154		-	0.086	0.061		-	-	-		-	-	-		3.196	2.526		0.034	1.377		
24	Households	20,271.135	17,243.379	679.814	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,243.379	679.814	-	-	-	-	
25	of which loans collateralised by residential immovable property	19,497.339	16,469.583	679.814	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,469.583	679.814	-	-	-	-	
26	of which building renovation loans	714.718	714.718	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	714.718	-	-	-	-	-	
27	of which motor vehicle loans	59.078	59.078	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59.078	-	-	-	-	-	
28	Local governments financing	103.965	10.706	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.706	-	-	-	-	-	

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	
		2024 disclosure reference data																															
		Total (gross) carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (taxonomy-eligible)				
			Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling				Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling		
29	Construction loans	10.706	10.706	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.706	-	-	-	-
30	Other local government financing	93.259	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31	Collateral obtained by taking possession: residential and non-residential immovable properties	41.481	41.481	4.727	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41.481	4.727	-	-	-
32	Other assets excluded from the numerator for GAR calculation (covered in the denominator)	35,911.152	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
33	Financial and non-financial corporations	24,795.976																															
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	24,769.043																															
35	Loans and advances	24,199.155																															
36	of which loans collateralised by commercial immovable property	-																															
37	of which building renovation loans	-																															
38	Debt securities	326.493																															
39	Equity instruments	243.395																															
40	Non-EU counterparties not subject to NFRD disclosure obligations	26.933																															
41	Loans and advances	7.309																															
42	Debt securities	16.417																															
43	Equity instruments	3.208																															
44	Derivatives	69.517																															
45	On demand interbank loans	102.869																															
46	Cash and cash-related assets	602.292																															
47	Other assets (e.g. goodwill, commodities, etc.)	10,340.497																															
48	Total GAR assets	57,005.087	17,481.862	747.529	-	1.552	32.231	2.738	0.184	-	0.008	0.354	0.241	-	-	0.550	0.146	-	-	0.025	0.008	-	-	0.036	-	-	-	17,485.566	748.109	-	1.552	32.239	
49	Asset not covered for GAR calculation	32,178.309																															
50	Sovereigns	31,506.437																															
51	Central Banks exposure	665.907																															
52	Trading book	5.964																															
53	Total assets	89,183.396																															
Off-balance sheet exposures - Corporates subject to Non-Financial Reporting Directive (NFRD) disclosure obligations																																	
54	Financial guarantees	0.165	0.092	0.032	-	0.000	0.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.092	0.032	-	0.000	0.000	
55	Assets under management	607.607	193.069	110.972	-	2.821	65.313	6.538	0.382	-	0.003	7.510	6.817	-	-	1.578	0.129	-	-	0.516	0.343	-	-	0.006	-	-	-	209.217	118.645	-	2.821	65.317	
56	Of which debt securities	408.717	125.242	72.796	-	1.273	41.180	6.183	0.267	-	0.001	6.393	5.810	-	-	1.409	0.112	-	-	0.349	0.296	-	-	0.006	-	-	-	139.581	79.281	-	1.273	41.181	
57	Of which equity instruments	198.889	67.827	38.176	-	1.548	24.134	0.355	0.115	-	0.002	1.118	1.008	-	-	0.169	0.018	-	-	0.168	0.047	-	-	-	-	-	-	69.636	39.364	-	1.548	24.136	

Template 1 - Assets for GAR calculation (Annex VI Reg 2178) - Capex KPI - Stock 2023

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		2023 disclosure reference data																														
Total (gross) carrying amount		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)										
		Of which towards taxonomy relevant sectors (taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (taxonomy-eligible)										
		Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)										
		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which enabling		Of which specialised lending	Of which enabling		Of which specialised lending	Of which enabling		Of which specialised lending	Of which enabling		Of which specialised lending	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling					
GAR - Covered assets in both numerator and denominator																																
1	Loans and advances, debt securities and equity instruments not HT eligible for GAR calculation	26,371.953	2,815.247	256.607	-	8.179	10.714	13,579.540	310.454	-	0.001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,394.787	567.061	-	8.179	10.715
2	Financial corporations	389.595	65.613	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65.613	-	-	-	-
3	Credit institutions	231.784	59.724	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59.724	-	-	-	-
4	Loans and advances	18.165	4.108	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.108	-	-	-	-
5	Debt securities, including UoP	205.573	53.507	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53.507	-	-	-	-
6	Equity instruments	8.046	2.109	-		-	-	-		-	-	-		-	-	-		-		-	-	-		-		-	2.109	-		-	-	
7	Other financial corporations	157.811	5.889	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.889	-	-	-	-
8	of which investment firms	1.734	0.407	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.407	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	1.494	0.351	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.351	-	-	-	-
11	Equity instruments	0.239	0.056	-		-	-	-		-	-	-		-	-	-		-		-	-	-		-		-	0.056	-		-	-	-
12	of which management companies	94.454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	71.073	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	23.381	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-		-	-	-		-	-	-		-		-	-	-		-		-	-	-	-		-	-
16	of which insurance companies	38.548	4.875	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.875	-	-	-	-
17	Loans and advances	36.874	4.646	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.646	-	-	-	-
18	Debt securities, including UoP	0.519	0.071	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.071	-	-	-	-
19	Equity instruments	1.155	0.158	-		-	-	-		-	-	-		-	-	-		-		-	-	-		-		-	0.158	-		-	-	-
20	Non-financial corporations	180.221	52.892	32.960	-	8.179	10.714	0.266	0.122	-	0.001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53.158	33.081	-	8.179	10.715
21	Loans and advances	141.036	32.620	16.645	-	8.135	4.284	0.014	0.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32.633	16.645	-	8.135	4.284
22	Debt securities, including UoP	32.576	17.117	13.717	-	0.013	5.497	0.153	0.122	-	0.001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.270	13.838	-	0.013	5.498
23	Equity instruments	6.609	3.156	2.598		0.031	0.933	0.099	0.000		0.000	-	-		-	-		-		-	-	-		-		-	3.255	2.598		0.031	0.933	
24	Households	25,688.441	2,672.949	223.647	-	-	-	13,579.011	310.110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,251.959	533.756	-	-	-
25	of which loans collateralised by residential immovable property	18,798.210	1,967.273	223.647	-	-	-	13,579.011	310.110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,546.283	533.756	-	-	-
26	of which building renovation loans	697.226	697.226	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	697.226	-	-	-	-
27	of which motor vehicle loans	8.450	8.450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.450	-	-	-	-
28	Local governments financing	113.433	23.793	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23.793	-	-	-	-
29	Construction loans	0.125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
		2023 disclosure reference data																														
Total (gross) carrying amount		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)									
		Of which towards taxonomy relevant sectors (taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (taxonomy-eligible)									
		Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)									
		Of which specialised lending	Of which transitional	Of which enabling				Of which specialised lending	Of which enabling				Of which specialised lending	Of which enabling		Of which specialised lending	Of which enabling		Of which specialised lending	Of which enabling		Of which specialised lending	Of which enabling		Of which specialised lending	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling		
30	Other local government financing	113.308	23.793	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23.793	-	-	-	-
31	Collateral obtained by taking possession: residential and non-residential immovable properties	0.263	-	-	-	-	-	0.263	0.223	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.263	0.223	-	-	-
32	Other assets excluded from the numerator for GAR calculation (covered in the denominator)	30,374.094	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
33	Financial and non-financial corporations	24,985.026																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	24,961.420																														
35	Loans and advances	24,378.263																														
36	of which loans collateralised by commercial immovable property	-																														
37	of which building renovation loans	-																														
38	Debt securities	347.775																														
39	Equity instruments	235.383																														
40	Non-EU counterparties not subject to NFRD disclosure obligations	23.606																														
41	Loans and advances	-																														
42	Debt securities	21.054																														
43	Equity instruments	2.552																														
44	Derivatives	84.294																														
45	On demand interbank loans	151.577																														
46	Cash and cash-related assets	579.331																														
47	Other assets (e.g. goodwill, commodities, etc.)	4,573.866																														
48	Total GAR assets	56,746.047	2,815.247	256.607	-	8.179	10.714	13,579.540	310.454	-	0.001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,394.787	567.061	-	8.179	10.715
49	Asset not covered for GAR calculation	35,379.804																														
50	Sovereigns	34,798.299																														
51	Central Banks exposure	576.057																														
52	Trading book	5.447																														
53	Total assets	92,125.850	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Off-balance sheet exposures - Corporates subject to Non-Financial Reporting Directive (NFRD) disclosure obligations																																
54	Financial guarantees	0.365	0.354	0.186	-	0.186	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.354	0.186	-	0.186	-
55	Assets under management	519.838	178.801	80.095	-	1.137	35.346	10.862	9.564	-	0.004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	189.663	89.659	-	1.137	35.350
56	Of which debt securities	369.294	127.226	52.079	-	0.101	24.435	8.250	8.093	-	0.003	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135.476	60.173	-	0.101	24.437
57	Of which equity instruments	150.544	51.575	28.016	-	1.036	10.911	2.612	1.471	-	0.001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54.187	29.486	-	1.036	10.913

Template 1 - Assets for GAR calculation (Annex VI Reg 2178) - Capex KPI - Flow 2024

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
		2024 disclosure reference data																														
Total (gross) carrying amount		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)										
		Of which towards taxonomy relevant sectors (taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (taxonomy-eligible)										
		Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)			Of which environmentally sustainable (taxonomy-aligned)										
		Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			
GAR - Covered assets in both numerator and denominator																																
1	Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	3,068.073	2,577.329	177.675	-	0.671	20.165	0.175	0.036	-	0.000	0.041	0.000	-	-	0.040	0.000	-	-	0.005	0.000	-	-	0.014	-	-	-	2,577.604	177.711	-	0.671	20.165
2	Financial corporations	226.132	47.914	5.185	-	0.626	1.235	0.146	0.036	-	-	0.002	-	-	-	0.010	-	-	-	0.000	-	-	-	0.001	-	-	-	48.074	5.221	-	0.626	1.235
3	Credit institutions	221.999	47.340	4.928	-	0.602	1.229	0.041	0.035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47.382	4.963	-	0.602	1.229	
4	Loans and advances	4.022	0.927	0.090	-	0.002	0.006	0.001	0.001	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.928	0.092	-	0.002	0.006	
5	Debt securities, including UoP	217.977	46.414	4.837	-	0.600	1.223	0.040	0.034	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46.454	4.871	-	0.600	1.223	
6	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-	-		-	-		-	-		-	-		-	-		
7	Other financial corporations	4.133	0.574	0.257	-	0.024	0.006	0.105	0.001	-	-	0.002	-	-	-	0.010	-	-	-	0.000	-	-	-	0.001	-	-	-	0.692	0.258	-	0.024	0.006
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-	-		-	-		-	-		-	-		-	-		
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-	-		-	-		-	-		-	-		-	-		
16	of which insurance companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-		-	-	-	-		-	-		-	-		-	-		-	-		
20	Non-financial corporations	56.012	31.501	23.836	-	0.046	18.930	0.029	0.000	-	0.000	0.039	0.000	-	-	0.030	0.000	-	-	0.004	0.000	-	-	0.013	-	-	-	31.616	23.836	-	0.046	18.930
21	Loans and advances	47.387	26.911	21.027	-	0.000	16.367	0.028	-	-	-	0.039	0.000	-	-	0.030	0.000	-	-	0.004	0.000	-	-	0.013	-	-	-	27.025	21.027	-	0.000	16.367
22	Debt securities, including UoP	8.301	4.318	2.601	-	0.046	2.355	0.000	0.000	-	0.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.318	2.601	-	0.046	2.355	
23	Equity instruments	0.324	0.273	0.208		-	0.208	-	-		-	-	-		-	-	-	-		-	-		-	-		-	0.273	0.208		-	0.208	
24	Households	2,775.616	2,497.523	148.655	-	-	-	-	-	-	-					-	-	-	-									2,497.523	148.655	-	-	-
25	of which loans collateralised by residential immovable property	2,595.295	2,317.201	148.655	-	-	-	-	-	-	-					-	-	-	-									2,317.201	148.655	-	-	-
26	of which building renovation loans	139.379	139.379	-	-	-	-	-	-	-	-					-	-	-	-									139.379	-	-	-	-
27	of which motor vehicle loans	40.942	40.942	-	-	-	-									-	-	-	-									40.942	-	-	-	-
28	Local governments financing	10.313	0.392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.392	-	-	-	-
29	Construction loans	0.392	0.392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.392	-	-	-	-

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae		
Total (gross) carrying amount	2024 disclosure reference data																																
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)					Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Of which towards taxonomy relevant sectors (taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (taxonomy-eligible)					
	Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)				Of which environmentally sustainable (taxonomy-aligned)					
	Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling
30 Other local government financing	9,921	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
31 Collateral obtained by taking possession: residential and non-residential immovable properties	0.262	0.262	0.036	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.262	0.036	-	-	-
32 Other assets excluded from the numerator for GAR calculation (covered in the denominator)	6,138.888	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
33 Financial and non-financial corporations	4,829.064																																
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	4,825.677																																
35 Loans and advances	4,738.059																																
36 of which loans collateralised by commercial immovable property	-																																
37 of which building renovation loans	-																																
38 Debt securities	60.414																																
39 Equity instruments	27.204																																
40 Non-EU counterparties not subject to NFRD disclosure obligations	3.387																																
41 Loans and advances	1.586																																
42 Debt securities	1.801																																
43 Equity instruments	-																																
44 Derivatives	-																																
45 On demand interbank loans	-																																
46 Cash and cash-related assets	22.962																																
47 Other assets (e.g. goodwill, commodities, etc.)	1,286.862																																
48 Total GAR assets	9,207.223	2,577.592	177.711	-	0.671	20.165	0.175	0.036	-	0.000	0.041	0.000	-	-	0.040	0.000	-	-	0.005	0.000	-	-	0.014	-	-	-	2,577.866	177.747	-	0.671	20.165		
49 Asset not covered for GAR calculation	9,370.513																																
50 Sovereigns	9,303.896																																
51 Central Banks exposure	66.100																																
52 Trading book	0.517																																
53 Total assets	18,577.736																																
Off-balance sheet exposures - Corporates subject to Non-Financial Reporting Directive (NFRD) disclosure obligations																																	
54 Financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
55 Assets under management	108.634	39.362	22.493	-	0.301	11.362	1.050	0.034	-	0.000	0.915	0.876	-	-	0.178	0.032	-	-	0.103	0.086	-	-	0.001	-	-	-	41.609	23.520	-	0.301	11.362		
56 Of which debt securities	96.332	35.832	21.475	-	0.275	11.147	1.050	0.034	-	0.000	0.412	0.392	-	-	0.140	0.014	-	-	0.046	0.038	-	-	0.001	-	-	-	37.480	21.954	-	0.275	11.147		
57 Of which equity instruments	12.302	3.530	1.018	-	0.026	0.216	0.000	-	-	-	0.504	0.484	-	-	0.038	0.018	-	-	0.057	0.047	-	-	-	-	-	-	4.129	1.567	-	0.026	0.216		

Template 2 - GAR - Sector Information (Annex VI Reg 2178) - Capx KPI – 2024

Breakdown by sector – 4-digit NACE level (code and brand)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD		Other non-financial corporations (subject to the NFRD)		SMEs and other non-financial corporations not subject to the NFRD	
	Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)		Book value (gross)	
	Of which eligible (CCM)	Of which environmentally sustainable (CCM)	Of which eligible (CCM)	Of which environmentally sustainable (CCM)	Of which eligible (CCA)	Of which environmentally sustainable (CCA)	Of which eligible (CCA)	Of which environmentally sustainable (CCA)	Of which eligible (WTR)	Of which environmentally sustainable (WTR)	Of which eligible (WTR)	Of which environmentally sustainable (WTR)	Of which eligible (CE)	Of which environmentally sustainable (CE)	Of which eligible (CE)	Of which environmentally sustainable (CE)	Of which eligible (PPC)	Of which environmentally sustainable (PPC)	Of which eligible (PPC)	Of which environmentally sustainable (PPC)	Of which eligible (BIO)	Of which environmentally sustainable (BIO)	Of which eligible (BIO)	Of which environmentally sustainable (BIO)	Of which eligible (CCM + CCA + WTR + CE + PPC + BIO)	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Of which eligible (CCM + CCA + WTR + CE + PPC + BIO)	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1 0111 - Growing of cereals (except rice), grain legumes and oilseeds	0.236	-			0.041	-			-	-			-	-			0.006	-			0.018	-			0.301	-		
2 0610 - Extraction of crude petroleum	0.474	0.400			-	-			-	-			-	-			-	-			-	-			0.474	0.400		
3 1051 - Manufacture of milk products	0.000	0.000			-	-			-	-			-	-			-	-			-	-			0.000	0.000		
4 1413 - Manufacture of other outerwear	0.173	-			-	-			-	-			-	-			-	-			-	-			0.173	-		
5 2060 - Manufacture of man-made fibres	2.889	2.201			-	-			-	-			-	-			-	-			-	-			2.889	2.201		
6 2223 - Manufacture of builders' ware of plastic	0.004	-			-	-			-	-			-	-			-	-			-	-			0.004	-		
7 2512 - Manufacture of metal doors and windows	0.027	0.003			-	-			-	-			-	-			-	-			-	-			0.027	0.003		
8 2562 - General mechanical work	0.004	-											-	-			-	-			-	-			0.004	-		
9 2573 - Manufacture of tools	0.113	-			-	-			-	-			-	-			-	-			-	-			0.113	-		
10 2611 - Manufacture of electronic components	0.262	0.202			-	-			-	-			0.030	-			-	-			-	-			0.292	0.202		
11 2821 - Manufacture of ovens, furnaces and heating systems	0.006	-			-	-			-	-			-	-			-	-			-	-			0.006	-		
12 2893 - Manufacture of machinery for food, beverage and tobacco processing	0.093	0.009			-	-			-	-			-	-			-	-			-	-			0.093	0.009		
13 2910 - Manufacture of motor vehicles	1.361	1.239			-	-			-	-			-	-			-	-			-	-			1.361	1.239		
14 3011 - Building of ships and floating structures	1.719	0.136			-	-			-	-			-	-			-	-			-	-			1.719	0.136		
15 3030 - Manufacture of air and spacecraft and related machinery	0.043	0.042			0.020	-			-	-			-	-			-	-			-	-			0.063	0.042		
16 3091 - Manufacture of motorcycles	0.188	0.031			-	-			0.000	-			0.000	-			0.001	-			-	-			0.189	0.031		
17 3511 - Production of electricity	22.104	21.693			-	-			0.218	0.154			0.000	0.000			-	-			-	-			22.322	21.847		
18 3512 - Transmission of electricity	0.200	0.200			-	-			-	-			-	-			-	-			-	-			0.200	0.200		
19 3522 - Distribution of gaseous fuels through mains	0.027	-			-	-			-	-			-	-			-	-			-	-			0.027	-		
20 3600 - Water collection, treatment and supply	0.110	0.098			-	-			0.090	0.087			0.003	0.003			0.010	0.008			-	-			0.213	0.196		
21 3832 - Recovery of sorted materials	0.000	0.000			-	-			0.001	0.001			0.000	0.000			-	-			-	-			0.001	0.001		
22 4212 - Construction of railways and underground railways	0.229	0.202			0.062	0.035			-	-			-	-			-	-			-	-			0.290	0.237		
23 4322 - Plumbing, heat and air-conditioning installation	0.001	-			-	-			-	-			-	-			-	-			-	-			0.001	-		
24 4639 - Non-specialised wholesale of food, beverages and tobacco	5.582	-			-	-			-	-			-	-			-	-			-	-			5.582	-		
25 4642 - Wholesale of clothing and footwear	0.066	-			-	-			-	-			-	-			-	-			-	-			0.066	-		
26 4931 - Urban and suburban passenger land transport	2.028	2.028			-	-			-	-			-	-			-	-			-	-			2.028	2.028		
27 5221 - Service activities incidental to land transportation	0.001	0.001			0.045	-			-	-			0.001	-			-	-			-	-			0.048	0.001		
28 5310 - Postal activities under universal service obligation	0.159	0.126			-	-			-	-			-	-			-	-			-	-			0.159	0.126		
29 6110 - Wired telecommunications activities	0.148	-			0.008	0.000			-	-			-	-			-	-			-	-			0.156	0.000		
30 7010 - Activities of head offices	45.863	16.945			0.080	0.037			-	-			0.080	-			-	-			-	-			46.024	16.982		
31 7739 - Renting of other machinery, equipment and tangible goods n.e.c.	0.137	0.015			-	-			-	-			0.114	0.082			-	-			-	-			0.251	0.097		
32 8230 - Organisation of conventions and trade shows	0.103	0.011			-	-			-	-			0.086	0.061			-	-			-	-			0.189	0.073		
33 8622 - Specialist medical practice services	0.037	0.014			-	-			-	-			-	-			-	-			-	-			0.037	0.014		
...	1.596	1.153			-	-			-	-			-	-			-	-			-	-			1.596	1.153		

Template 3 - GAR KPI (stock) - (Annex VI Reg 2178) - Capex KPI - 2024

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	
% (compared to total covered assets in the denominator)	2024 disclosure reference data																															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total assets covered	
	Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling				
GAR - Covered assets in both numerator and denominator																																
1 Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	30.59%	1.30%	0.00%	0.00%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	30.60%	1.30%	0.00%	0.00%	0.06%	23.61%	
2 Financial corporations	0.18%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.18%	0.03%	0.00%	0.00%	0.00%	0.57%	
3 Credit institutions	0.13%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.01%	0.00%	0.00%	0.00%	0.37%	
4 Loans and advances	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.02%	
5 Debt securities, including UoP	0.12%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.01%	0.00%	0.00%	0.00%	0.34%	
6 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%	
7 Other financial corporations	0.05%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.02%	0.00%	0.00%	0.00%	0.20%	
8 of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
9 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
10 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
11 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	
12 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	
13 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	
14 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
15 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	
16 of which insurance companies	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.05%	
17 Loans and advances	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.05%	
18 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
19 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	
20 Non-financial corporations	0.15%	0.08%	0.00%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.15%	0.08%	0.00%	0.00%	0.05%	0.19%	
21 Loans and advances	0.11%	0.05%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%	0.05%	0.00%	0.00%	0.03%	0.14%	
22 Debt securities, including UoP	0.03%	0.03%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.03%	0.00%	0.00%	0.02%	0.04%
23 Equity instruments	0.01%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.01%	0.00%		0.00%	0.00%	0.01%	
24 Households	30.25%	1.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%										30.25%	1.19%	0.00%	0.00%	0.00%	22.73%	
25 of which loans collateralised by residential immovable property	28.89%	1.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%										28.89%	1.19%	0.00%	0.00%	0.00%	21.86%	
26 of which building renovation loans	1.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%										1.25%	0.00%	0.00%	0.00%	0.00%	0.80%	
27 of which motor vehicle loans	0.10%	0.00%	0.00%	0.00%	0.00%																					0.10%	0.00%	0.00%	0.00%	0.00%	0.07%	
28 Local governments financing	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.12%	
29 Construction loans	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.01%	
30 Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%	
31 Collateral obtained by taking possession: residential and non-residential immovable properties	0.07%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.01%	0.00%	0.00%	0.00%	0.05%	
32 Total GAR assets	30.67%	1.31%	0.00%	0.00%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	30.67%	1.31%	0.00%	0.00%	0.06%	63.92%	

Template 3 - GAR KPI (stock) - (Annex VI Reg 2178) - Capex KPI - 2023

	af	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj
% (compared to total covered assets in the denominator)	2023 disclosure reference data																														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total assets covered	
	Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling		Of which specialised lending	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HTI eligible for GAR calculation	10.68%	0.97%	0.00%	0.03%	0.04%	51.49%	1.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	62.17%	2.15%	0.00%	0.03%	0.04%	46.47%	
2 Financial corporations	16.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.84%	0.00%	0.00%	0.00%	0.00%	0.69%
3 Credit institutions	25.77%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.77%	0.00%	0.00%	0.00%	0.00%	0.41%
4 Loans and advances	22.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	22.61%	0.00%	0.00%	0.00%	0.00%	0.03%
5 Debt securities, including UoP	26.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.03%	0.00%	0.00%	0.00%	0.00%	0.36%
6 Equity instruments	26.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	26.22%	0.00%	0.00%	0.00%	0.00%	0.01%
7 Other financial corporations	3.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.73%	0.00%	0.00%	0.00%	0.00%	0.28%
8 of which investment firms	23.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.50%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Loans and advances																															0.00%
10 Debt securities, including UoP	23.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.50%	0.00%	0.00%	0.00%	0.00%	0.00%
11 Equity instruments	23.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.50%	0.00%	0.00%	0.00%	0.00%	0.00%
12 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.17%
13 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%
14 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.04%
15 Equity instruments																															0.00%
16 of which insurance companies	12.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.65%	0.00%	0.00%	0.00%	0.00%	0.07%
17 Loans and advances	12.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.60%	0.00%	0.00%	0.00%	0.00%	0.06%
18 Debt securities, including UoP	13.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.70%	0.00%	0.00%	0.00%	0.00%	0.00%
19 Equity instruments	13.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.70%	0.00%	0.00%	0.00%	0.00%	0.00%
20 Non-financial corporations	29.35%	18.29%	0.00%	4.54%	5.95%	0.15%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	29.50%	18.36%	0.00%	4.54%	5.95%	0.32%
21 Loans and advances	23.13%	11.80%	0.00%	5.77%	3.04%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.14%	11.80%	0.00%	5.77%	3.04%	0.25%
22 Debt securities, including UoP	52.54%	42.11%	0.00%	0.04%	16.88%	0.47%	0.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	53.01%	42.48%	0.00%	0.04%	16.88%	0.06%
23 Equity instruments	47.76%	39.31%	0.00%	0.47%	14.11%	1.49%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	49.25%	39.31%	0.00%	0.47%	14.11%	0.01%
24 Households	10.41%	0.87%	0.00%	0.00%	0.00%	52.86%	1.21%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									63.27%	2.08%	0.00%	0.00%	0.00%	45.27%
25 of which loans collateralised by residential immovable property	10.47%	1.19%	0.00%	0.00%	0.00%	72.24%	1.65%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									82.70%	2.84%	0.00%	0.00%	0.00%	33.13%
26 of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%					0.00%	0.00%	0.00%	0.00%									100.00%	0.00%	0.00%	0.00%	0.00%	1.23%
27 of which motor vehicle loans	100.00%	0.00%	0.00%	0.00%	0.00%																										
28 Local governments financing	20.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.98%	0.00%	0.00%	0.00%	0.00%	0.20%
29 Construction loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30 Other local government financing	21.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	21.00%	0.00%	0.00%	0.00%	0.00%	0.20%
31 Collateral obtained by taking possession: residential and non-residential immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	84.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	84.69%	0.00%	0.00%	0.00%	0.00%
32 Total GAR assets	4.96%	0.45%	0.00%	0.01%	0.02%	23.93%	0.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28.89%	1.00%	0.00%	0.01%	0.02%	100.00%

Template 4 - GAR KPI (flow) - (Annex VI Reg 2178) - Capex KPI - 2024

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae
% (compared to total covered assets in the denominator)	2024 disclosure reference data																														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total assets covered	
		Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling		
GAR - Covered assets in both numerator and denominator																															
1 Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	27.99%	1.93%	0.00%	0.01%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28.00%	1.93%	0.00%	0.01%	0.22%	16.51%
2 Financial corporations	0.52%	0.06%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.52%	0.06%	0.00%	0.01%	0.01%	1.22%
3 Credit institutions	0.51%	0.05%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.51%	0.05%	0.00%	0.01%	0.01%	1.19%
4 Loans and advances	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.02%
5 Debt securities, including UoP	0.50%	0.05%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.05%	0.00%	0.01%	0.01%	1.17%
6 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
7 Other financial corporations	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.02%	
8 of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
12 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
16 of which insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
20 Non-financial corporations	0.34%	0.26%	0.00%	0.00%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.34%	0.26%	0.00%	0.00%	0.21%	0.30%
21 Loans and advances	0.29%	0.23%	0.00%	0.00%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.29%	0.23%	0.00%	0.00%	0.18%	0.26%
22 Debt securities, including UoP	0.05%	0.03%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%	0.03%	0.00%	0.00%	0.03%	0.04%	
23 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%		0.00%	0.00%	0.00%	0.00%
24 Households	27.13%	1.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									27.13%	1.61%	0.00%	0.00%	0.00%	0.00%	14.94%
25 of which loans collateralised by residential immovable property	25.17%	1.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									25.17%	1.61%	0.00%	0.00%	0.00%	0.00%	13.97%
26 of which building renovation loans	1.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%	0.00%	0.00%	0.00%									1.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.75%
27 of which motor vehicle loans	0.44%	0.00%	0.00%	0.00%	0.00%								0.00%	0.00%	0.00%	0.00%									0.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%
28 Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.06%
29 Construction loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30 Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%
31 Collateral obtained by taking possession: residential and non-residential immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32 Total GAR assets	28.00%	1.93%	0.00%	0.01%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	28.00%	1.93%	0.00%	0.01%	0.22%	49.56%	

Template 5 - KPIs for off-balance sheet exposures (Annex VI Reg 2178) - Capex KPI - 2024 and 2023

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	at	
% (compared to total covered assets in the denominator)	Disclosure reference data - 31.12.2024 Stock																														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
		Of which specialised lending		Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1 Financial guarantees (FinGuar KPI)	55.63%	19.55%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	55.63%	19.55%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	31.78%	18.26%	0.00%	0.46%	10.75%	1.08%	0.06%	0.00%	0.00%	1.24%	1.12%	0.00%	0.00%	0.26%	0.02%	0.00%	0.00%	0.08%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	34.43%	19.53%	0.00%	0.46%	10.75%
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	at	
% (compared to total covered assets in the denominator)	Disclosure reference data - 31.12.2023 Stock																														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
		Of which specialised lending		Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1 Financial guarantees (FinGuar KPI)	96.99%	50.82%	0.00%	50.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	96.99%	50.82%	0.00%	50.82%	0.00%	
2 Assets under management (AuM KPI)	34.40%	15.41%	0.00%	0.22%	6.80%	2.09%	1.84%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	36.48%	17.25%	0.00%	0.22%	6.80%	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	at	
% (compared to total covered assets in the denominator)	2024 disclosure reference data - Flow																														
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
		Of which specialised lending		Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which enabling			Of which specialised lending	Of which transitional	Of which enabling	
1 Financial guarantees (FinGuar KPI)																															
2 Assets under management (AuM KPI)	36.23%	20.70%	0.00%	0.28%	10.46%	0.97%	0.03%	0.00%	0.00%	0.84%	0.81%	0.00%	0.00%	0.16%	0.03%	0.00%	0.00%	0.09%	0.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	38.30%	21.65%	0.00%	0.28%	10.46%	

2.1.3 Additional disclosure on nuclear energy and fossil gas activities pursuant to Annex XII of Delegated Regulation 2022/1214

(figures expressed in millions of euro)

Stock – On-balance

Template 1 – Nuclear and fossil gas related activities

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

Template 2 - Taxonomy-aligned economic activities (denominator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.080	0.00%	0.080	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	710.616	1.25%	710.594	1.25%	0.022	0.00%
8.	Total applicable KPI	710.696	1.25%	710.673	1.25%	0.022	0.00%

Template 2 – Taxonomy-aligned economic activities (denominator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.000	0.00%	0.000	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.043	0.00%	0.043	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	747.709	1.31%	747.525	1.31%	0.183	0.00%
8.	Total applicable KPI	747.752	1.31%	747.568	1.31%	0.183	0.00%

Template 3 - Taxonomy-aligned economic activities (numerator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	3.488	0.49%	3.488	0.49%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	707.208	99.51%	707.185	99.51%	0.022	0.00%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	710.696	100.00%	710.673	100.00%	0.022	0.00%

Template 3 – Taxonomy-aligned economic activities (numerator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.033	0.00%	0.033	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.229	0.03%	0.229	0.03%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	747.490	99.96%	747.306	99.94%	0.183	0.03%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	747.752	100.00%	747.568	99.98%	0.183	0.03%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.928	0.00%	0.928	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2.473	0.00%	2.473	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.078	0.00%	0.078	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	16,684	29.27%	16,683	29.27%	0.931	0.00%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	16,688	29.27%	16,686	29.27%	0.931	0.00%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.451	0.00%	0.451	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2.037	0.00%	2.037	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.001	0.00%	0.001	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	16,692	29.95%	16,690	29.94%	2.541	0.00%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	16,695	29.90%	16,692	29.90%	2.541	0.00%

Template 5 – Taxonomy non-eligible economic activities - Turnover KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.000	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.193	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.000	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	39,606	69.48%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	39,606	69.48%

Template 5 – Taxonomy non-eligible economic activities - Capital Expenditure KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.001	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.157	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	39,562	69.40%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	39,562	69.40%

Stock – Off-balance-sheet financial guarantees

Template 1 – Nuclear and fossil gas related activities

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

Template 2 - Taxonomy-aligned economic activities (denominator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.073	44.37%	0.073	44.37%	-	0.00%
8.	Total applicable KPI	0.073	44.37%	0.073	44.37%	-	0.00%

Template 2 – Taxonomy-aligned economic activities (denominator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.0323	19.55%	0.0323	19.55%	-	0.00%
8.	Total applicable KPI	0.0323	19.55%	0.0323	19.55%	-	0.00%

Template 3 - Taxonomy-aligned economic activities (numerator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	0.0732	100.00%	0.0732	100.00%	-	0.00%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	0.0732	100.00%	0.0732	100.00%	-	0.00%

Template 3 – Taxonomy-aligned economic activities (numerator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	0.0323	100.00%	0.0323	100.00%	-	0.00%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	0.0323	100.00%	0.0323	100.00%	-	0.00%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.030	18.07%	0.030	18.07%	-	0.00%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	0.030	18.07%	0.030	18.07%	-	0.00%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.060	36.07%	0.060	36.07%	-	0.00%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	0.060	36.07%	0.060	36.07%	-	0.00%

Template 5 – Taxonomy non-eligible economic activities - Turnover KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.062	37.56%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	0.062	37.56%

Model 5 – Taxonomy non-eligible economic activities - Capital Expenditure KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0.073	44.37%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	0.073	44.37%

Stock – Off-balance-sheet financial assets under management

Template 1 – Nuclear and fossil gas related activities

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

Template 2 - Taxonomy-aligned economic activities (denominator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.102	0.02%	0.102	0.02%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	70.945	11.68%	70.920	11.67%	0.024	0.00%
8.	Total applicable KPI	71.047	11.69%	71.022	11.69%	0.024	0.00%

Template 2 – Taxonomy-aligned economic activities (denominator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0003	0.00%	0.0003	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0525	0.01%	0.0525	0.01%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	111.0341	18.27%	110.6517	18.21%	0.3825	0.06%
8.	Total applicable KPI	111.0870	18.28%	110.7045	0.00%	0.3825	0.00%

Template 3 - Taxonomy-aligned economic activities (numerator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	4.257	5.99%	4.257	5.99%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.000	0.00%	0.000	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	66.789	94.01%	66.765	93.97%	0.024	0.03%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	71.047	100.00%	71.022	99.97%	0.024	0.03%

Template 3 – Taxonomy-aligned economic activities (numerator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.019	0.02%	0.019	0.02%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.119	0.11%	0.119	0.11%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	110.949	99.88%	110.567	99.53%	0.382	0.34%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	111.087	100.00%	110.705	99.66%	0.382	0.34%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1.545	0.25%	1.545	0.25%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	4.485	0.74%	4.485	0.74%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.100	0.02%	0.100	0.02%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	79.876	13.15%	79.095	13.02%	0.781	0.13%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	86.007	14.15%	85.226	14.03%	0.781	0.13%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.8279	0.14%	0.8279	0.14%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2.8947	0.48%	2.8947	0.48%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0004	0.00%	0.0004	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	92.2079	15.18%	86.0555	14.16%	6.1523	1.01%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	95.9308	15.79%	89.7785	14.78%	6.1523	1.01%

Template 5 – Taxonomy non-eligible economic activities - Turnover KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.004	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.423	0.07%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.004	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	450.122	74.08%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	450.553	74.15%

Template 5 – Taxonomy non-eligible economic activities - Capital Expenditure KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.007	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.341	0.06%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	400.240	65.87%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	400.589	65.93%

Template 1 – Nuclear and fossil gas related activities

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

Template 2 - Taxonomy-aligned economic activities (denominator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.000	0.00%	0.000	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	162.933	1.77%	162.924	1.77%	0.009	0.00%
8.	Total applicable KPI	162.933	1.77%	162.924	1.77%	0.009	0.00%

Template 2 – Taxonomy-aligned economic activities (denominator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.000	0.00%	0.000	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	567.061	1.00%	256.606	0.45%	310.454	0.55%
8.	Total applicable KPI	567.061	1.00%	256.607	0.45%	310.454	0.55%

Template 3 - Taxonomy-aligned economic activities (numerator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.051	0.03%	0.051	0.03%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	162.882	99.97%	162.873	99.96%	0.009	0.01%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	162.933	100.00%	162.924	99.99%	0.009	0.01%

Template 3 – Taxonomy-aligned economic activities (numerator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.007	0.00%	0.007	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.042	0.01%	0.042	0.01%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	567.011	99.99%	256.557	45.24%	310.454	54.75%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	567.061	100.00%	256.607	45.25%	310.454	54.75%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.058	0.00%	0.058	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.546	0.01%	0.546	0.01%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.000	0.00%	0.000	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,394	26.01%	2,395	26.01%	0.043	0.00%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	2,395	26.02%	2,395	26.02%	0.043	0.00%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.003	0.00%	0.003	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.461	0.00%	0.461	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	15,827	27.89%	2,558	4.51%	13,269	23.38%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	15,827	27.89%	2,558	4.51%	13,269	23.38%

Template 5 – Taxonomy non-eligible economic activities - Turnover KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.000	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	6,648	72.21%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	6,648	72.21%

Model 5 – Taxonomy non-eligible economic activities - Capital Expenditure KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.000	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	9	0.02%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	40,351	71.11%

Flow – Off-balance-sheet financial guarantees

Template 1 – Nuclear and fossil gas related activities

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

Template 2 - Taxonomy-aligned economic activities (denominator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
8.	Total applicable KPI	-	0.00%	-	0.00%	-	0.00%

Template 2 – Taxonomy-aligned economic activities (denominator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
8.	Total applicable KPI	-	0.00%	-	0.00%	-	0.00%

Template 3 - Taxonomy-aligned economic activities (numerator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%

Template 3 – Taxonomy-aligned economic activities (numerator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%

Template 5 – Taxonomy non-eligible economic activities - Turnover KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	0.00%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	-	0.00%

Template 5 – Taxonomy non-eligible economic activities - Capital Expenditure KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	-	0.00%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	-	0.00%

Flow – Off-balance-sheet financial assets under management

Template 1 – Nuclear and fossil gas related activities

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

Template 2 - Taxonomy-aligned economic activities (denominator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.013	0.01%	0.013	0.01%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	22.321	20.55%	22.288	20.52%	0.034	0.03%
8.	Total applicable KPI	22.335	20.56%	22.301	20.53%	0.034	0.03%

Template 2 – Taxonomy-aligned economic activities (denominator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.000	0.00%	0.000	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.008	0.01%	0.008	0.01%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	22.326	20.55%	22.293	20.52%	0.034	0.03%
8.	Total applicable KPI	22.335	20.56%	22.301	20.53%	0.034	0.03%

Template 3 - Taxonomy-aligned economic activities (numerator) - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.539	3.88%	0.539	3.88%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	13.370	96.12%	13.336	95.88%	0.034	0.24%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	13.909	100.00%	13.875	99.76%	0.034	0.24%

Template 3 – Taxonomy-aligned economic activities (numerator) - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.539	2.41%	0.539	2.41%	-	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	21.796	97.59%	21.762	97.44%	0.034	0.15%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	22.335	100.00%	22.301	99.85%	0.034	0.15%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.147	0.14%	0.147	0.14%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.167	0.15%	0.167	0.15%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.012	0.01%	0.012	0.01%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	14.126	13.00%	14.091	12.97%	0.035	0.03%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	14.452	13.30%	14.417	13.27%	0.035	0.03%

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities - Capital Expenditure KPI

Row	Economic activities	Amount and proportion					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.077	0.07%	0.077	0.07%	-	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.072	0.07%	0.072	0.07%	-	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	17.294	15.92%	16.279	14.99%	1.015	0.93%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	17.442	16.06%	16.428	15.12%	1.015	0.93%

Template 5 – Taxonomy non-eligible economic activities - Turnover KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.037	0.03%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.000	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	80.253	73.87%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	80.290	73.91%

Template 5 – Taxonomy non-eligible economic activities - Capital Expenditure KPI

Row	Economic activities	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	0.032	0.03%
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 021/2139 in the denominator of the applicable KPI	-	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	80.258	73.88%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	80.290	73.91%

2.2 Climate Change

ESRS E1

2.2.1 Governance

[ESRS E1 GOV-3]

The Group's Remuneration Policy is closely aligned with the long-term corporate strategy and the pursuit of sustainability goals, with a particular focus on environmental indicators. The incentive scheme, aimed at the material risk takers at the consolidated level, incorporates ESG indicators, linking a portion of variable remuneration to the achievement of specific sustainability targets. These include the procurement of an increasing percentage of electricity from renewable sources and achievement of milestones planned for 2024 following receipt of the ECB Combined Decision on climate and environmental risks. ESG goals will be revised for 2025, ensuring constant adaptation to ecological transition strategies and regulatory developments.

For more details on Remuneration Policies and incentives linked to ESG goals, please refer to the Report on Operations and the section "1. General Disclosures", chapter "1.2 Governance", para. "1.2.3 Integration of sustainability-related performance in incentive schemes".

2.2.2 Strategy

2.2.2.1 Transition plan for climate change mitigation

[ESRS E1 E1-1]

With the Group's 2024-2027 Strategic Plan, for the first time incorporating the objectives of the Sustainability Plan, the Cassa Centrale Group approved its climate strategy, with reference to direct and indirect GHG emissions, leveraging the distinctive characteristics of Cooperative Credit and setting itself the goal of guiding its customers and the communities in which it operates through environmental and social transition.

The climate strategy primarily includes a plan to quantify and reduce own financed emissions (Scope 3 GHG emissions, Category 15 "Investments"), reduce own energy consumption and/or own direct GHG emissions, and the design and development of "green products" for customers to support the ecological transition.

In this context, the Group has been working on mapping out the path to decarbonisation targets for financed emissions by 2025, with reference to its own credit exposures, which represent the most significant emission category for the Group, as a credit institution. Following definition of the decarbonisation targets, during 2026 the Group will work on the definition and adoption of a transition plan aimed at mitigating climate change impacts. Specifically, the Plan will be based on decarbonisation targets, identification of mitigation actions to support achievement of these targets, leveraging the actions the Group is already taking, and a robust investment plan to engage decarbonisation levers.

In 2024, the Group focused on calculating its emissions (Scope 1, Scope 2 and Scope 3) and preparing a decarbonisation strategy especially for the loans portfolio. More information on emissions generated by the Group can be found in section "2.2.4 Emissions generated and energy consumption", in this chapter. Data relating to monetary resources used for capital expenditure and operating expenses for the implementation of the environmental impact reduction programme, such as specialist consultancy, have not been included in this statement as, based on the analysis carried out, the amounts were not considered significant.

2.2.2.2 Material impacts, risks and opportunities and their interaction with strategy and business model

The Cassa Centrale Group has identified and assessed material impacts, risks and opportunities in relation to climate change through its double materiality analysis and climate and environmental risk assessment. With regard to this information, please refer to section “1 General Information”, chapter “1.4 Management of Impacts, Risks and Opportunities”, para. “1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model”.

2.2.3 Management of impacts, risks and opportunities

2.2.3.1 Environmental policy

[ESRS E1 E1-2]

[ESRS 2 MDR-P]

Protecting and respecting the environment and combating climate change is a global priority, and there is increasing focus on reducing the impact of human activities in relation to extreme weather events, biodiversity loss, water depletion and pollution. In accordance with the principles set out in the Code of Ethics, the Group has established its commitment to transition of the social and economic context in which it operates, adopting all necessary measures to minimise the environmental impacts of its operations and offering the products and services developed by Affiliated Banks and the Parent Company to guide customers and members through the transition process. In addition to the responsible management of its Operations, the Group promotes a culture of sustainability, raising awareness and involving all stakeholders in the adoption of eco-friendly practices and behaviour, in line with current environmental regulations.

The Group’s commitment to management of environmental issues and risks has been formalised in with an Environmental Policy, which is being updated to incorporate issues identified as significant on the basis of stakeholder-engagement activity and analysis of impacts, risks and opportunities. The updated Policy was approved by the Board of Directors of the Parent Company in February 2025. The Policy defines the principles and actions required to reduce direct and indirect impacts of the Group’s operations on the environment. In particular, the Group is committed to promoting and supporting the energy transition, adopting a responsible and conscious approach to management of natural resources (e.g. energy, water consumption, etc.), promoting a sustainable and resilient supply chain, supporting cooperation and continuous innovation, directing investment and lending choices towards initiatives that create long-term sustainable value for stakeholders, promoting sustainable mobility and protecting ecosystems in all areas of the Group’s operations. The Policy also addresses issues related to climate change mitigation and adaptation and provides for specific risk-management procedures. The Policy has been implemented by all Group companies, consolidating a uniform and structured approach to the management of environmental sustainability.

The Group’s commitment to this Policy is based on international conventions, standards and guidelines. Specifically, it is inspired by:

- Legislative Decree 231/2001;
- Legislative Decree 152/2006 “Environmental Regulations” as amended;
- UNI EN ISO 14001 standard on environmental management systems;
- UNEP UNEP Statement by Banks on the Environment and Sustainable Development.

For further information and a detailed description of the policy, please refer to the document “Environmental Policy” available on the Cassa Centrale Banca website at the address www.cassacentrale.it, in the Sustainability section.

The ISO 14001:2015 certified environmental management system of Allitude

For the physical offices in Padua and Bari, Allitude is certified in accordance with ISO 14001:2015 in relation to the field of application "Provision of organisational, operational and administrative services and solutions" for Banks. In 2024, preliminary activities were completed for the environmental analysis with respect to the new scope of the environmental management system at the Trento Data Centre, with a positive outcome of the initial environmental analysis.

2.2.3.2 Actions and initiatives

[ESRS E1 E1-3]

[ESRS 2 MDR-A]

Actions regarding own operations

During 2024, the Group continued to implement initiatives to reduce the environmental impact of its activities. These steps mainly targeted energy efficiency, sustainable mobility, the adoption of ESG (environmental, social and governance) practices in negotiations, and the integration of digital solutions to support sustainability.

Energy Efficiency

Cassa Centrale Banca has maintained the best practice of installing LED lamps during renovations and in new offices, as well as the replacement of obsolete lighting with new low-emission models. Special attention has been paid to the installation of presence sensors in spaces such as meeting rooms and common areas, in order to optimise energy consumption. In addition, the Parent Company has planned to install high-efficiency heat pumps cooled using groundwater. Finally, measures have been implemented to reduce overheating through the installation of sun-control film at critical points and raise awareness among landlords regarding improving of the thermal comfort of buildings.

In order to comply with Legislative Decree 102/2014, energy diagnostics were carried out with a major energy supplier by analysing a sample of instrumental real estate sites representative of the entire Group. This activity was also aimed at promoting energy efficiency measures to reduce and optimise consumption, which will then be reported annually to Enea (Italian National Agency for New Technologies, Energy and Sustainable Economic Development). In 2024, the Cassa Centrale Group continued its commitment to energy efficiency by upgrading buildings¹⁵.

Specifically, 38 Affiliated Banks and 2 Companies started or completed redevelopment works on 73 buildings, including offices and branches. Works included insulation of the building envelope, replacement of external windows and doors, installation and/or renewal of air-conditioning systems, and introduction of photovoltaic systems. At the end of 2024, 134 properties were equipped with photovoltaic systems. Finally, Cassa Centrale Banca launched the design and implementation of an ISO 50001 energy management system, with the aim of obtaining certification by 2025 for some of its offices, in line with the Group's sustainability goals. This will be rolled out to other subsidiaries, starting with Allitude.

With reference to direct GHG Scope 1 emissions, mainly associated with the heating of owned properties and the company car fleet, the Group will take steps to identify potential reduction actions within the scope of its decarbonisation strategy.

¹⁵ The data was gathered from the Best Practices Questionnaire in cooperation with Euricse. Please refer to section "1. General Disclosures", chapter "1.3 Strategy", para. "1.3.2 Interests and views of stakeholders".

Purchasing “Green” Energy

For 2024, a new Group agreement was signed with a specialised supplier for the supply of electricity at competitive economic conditions. In addition to the certification of energy from renewable sources (“green energy”), the agreement also provides for a one-off bonus on electric transport infrastructure, which is an incentive for the use of facilities to reduce CO₂ emissions; 2025 supply was also negotiated, again with the provision of GO certificates.

Etika project

Etika is a project with a positive social-environmental impact, founded on a memorandum of understanding between Casse Rurali Trentine banks, several local cooperatives and the Dolomiti Energia Group, with the support of Cassa Centrale Banca. The initiative allows the establishment of contracts for electricity and gas utilities with special terms, and offering important added value in terms of environmental and social sustainability.

The Etika offer has three key distinguishing features:

- **ECONOMIC:** customers pay the wholesale electricity and gas fee, with a discount on commercial costs and a welcome bonus;
- **ECOLOGICAL:** energy supplied comes exclusively from Italian renewable sources, certified by Gestore dei Servizi Energetici (GSE) through Guarantees of Origin;
- **SUPPORTIVE:** for each contract activated, Dolomiti Energia pays EUR 10 to the Charity Fund (EUR 20 for those entering into contracts for both electricity and gas), destined to finance research and the creation of housing solutions for people with disabilities in the context of the “Dopo di Noi” project, involving families and the community.

As at 31 December 2024, the Etika project had 71,319 active contracts, broken down as follows:

- Electricity: 43,008 contracts;
- Gas: 28,311 contracts.

The initiative has a significant environmental impact:

- 136,851 tonnes of CO₂ saved through use of certified renewable energy;
- 105,937 tonnes of CO₂ offset through the offsetting mechanism for gas supplied;
- Total CO₂ avoided and offset: 242,788 tonnes.

This quantity of emissions corresponds, in terms of natural absorption, to approximately 5,380,352 trees (estimating the average absorption capacity of 40 kg of CO₂ per tree in a forest with an age of 25 years).

ESG in group negotiations

The Group incorporated ESG criteria into all significant negotiations in 2024. Specifically, for the procurement of paper resources, only FSC-certified paper was requested, and specific environmental certifications were required for printers. The ESG

commitment also extended to the supply of vending machines, cleaning, furniture and other goods and services, favouring the use of environmentally friendly products with a reduced environmental impact.

Digitisation and electronic signatures

In 2024, the Group continued to promote the digitalisation of business processes by implementing an advanced electronic signature format. This technology enabled around 10 million documents to be digitised, up 9% compared to the previous year, significantly contributing to the dematerialisation of paper documents and improving operational efficiency.

Sustainable mobility

The corporate fleet of Affiliated Banks and Group companies comprises a total of 655 vehicles¹⁶, including owned and long-term leased vehicles. Of these, 617 fall into the Euro 6, electric or hybrid categories, highlighting a gradual transition towards more sustainable mobility.

The Group has also invested in the installation of electric-vehicle and electric-bicycle charging points to encourage employees to use low-impact means of transport. By the end of 2024, 30 Affiliated Banks and 5 Companies had installed a total of 114 car charging points; 92 at offices and branches and 22 at other locations. With regard to bicycle charging points, 8 Affiliated Banks installed 100 units, 25 distributed across offices and branches and 75 at other locations.

Allitude and sustainable mobility

In 2024, Allitude strengthened its commitment to sustainable mobility by joining several initiatives aimed at reducing the use of private vehicles and encouraging environmentally friendly mobility.

Key steps include the signing, in December 2023, of an agreement with the Municipality of Trento, signed by Cassa Centrale Banca and Allitude, with the aim of steering employee mobility towards more sustainable solutions. This agreement aims at a structural and permanent reduction of vehicular traffic in the Trento urban area and, consequently, a decrease in greenhouse gas emissions. As part of this collaboration, the “Emma” mobility management platform was adopted in 2024 to support the company’s mobility managers in drafting the Commuting Plan, which is currently being validated before submission to the Municipality of Trento.

In 2024, the Plan was also extended to the Cuneo office, with the aim of actively involving the local community. In this regard, discussions are planned with the area mobility manager for 2025, to evaluate strengthening local public transport services at peak times.

Allitude has also joined initiatives of the Municipality of Trento, including:

- **“Biking to work”**, organised during European Mobility Week, which saw the active participation of employees from the Trento office and led Allitude to rank among the top 10 most virtuous companies out of 48 participants for improving commuter mobility;
- **Programmes to encourage the use of public transport**, including a discount for employees on the purchase of season tickets.

Participation continued in the Affiliation Agreement with the Municipality of Trento, which will also allow access to possible funding and contributions related to employee mobility (documentation approved, signed and sent on 27/12/2023 to the Municipality of Trento). In addition to actions related to individual mobility, Allitude invested in renewal of the company car fleet, introducing full-electric and hybrid vehicles and installing electric-vehicle charging points at the Trento headquarters.

¹⁶ The data was gathered from the Best Practices Questionnaire in cooperation with Euricse. Please refer to section “1. General Disclosures”, chapter “1.3 Strategy”, para. “1.3.2 Interests and views of stakeholders”.

Reforestation projects

In 2024, Cassa Centrale Banca and its Affiliated Banks actively contributed to reforestation, planting a total of 12,000 trees¹⁷ to offset CO₂ emissions and promote environmental sustainability.

In particular, Cassa Centrale Banca ran a major reforestation project at the Redebus Pass (TN), where 7,000 trees were planted in September 2024 to offset the CO₂ emissions generated by the 2023 Lisbon Convention, which saw a total of 663 participants. The project, organised in collaboration with VAIA, will have a significant environmental impact, with estimated capture of 307,975 tonnes of CO₂ over the next 13 years (equivalent to an average of 23.7 tCO₂ per year). This initiative is part of the Group's broader commitment to protecting the environment and mitigating the effects of climate change.

3Bee partnership

The "Cassa Centrale - Credito Cooperativo Italiano Group Oases" are here. These protected areas are a tangible demonstration of the Group's commitment to the environment and biodiversity. Beehives for honey production will be introduced in the "oases". The Biodiversity Oases now feature 350 melliferous plants and 12 biomonitoring hives. Using 3Bee Hive-Tech, environmental parameters are monitored to analyse the surrounding biodiversity and the health of pollinators and enable statistical observation of the health status of more than 3,600,000 bees.

For this initiative, the Group joined forces with 3Bee, a climate-tech company specialising in regenerative projects based on advanced technologies, activating the "Adopt a Melliferous Wood" and "Adopt a Beehive" programmes. Thanks to funds from the Cassa Centrale Group, 3Bee will plant melliferous trees throughout Italy, contributing not only to the absorption of CO₂, but also supporting bee pollination, which is essential for the balance of natural ecosystems.

Credit actions

Emission of green bonds

In October 2024, Cassa Centrale Banca issued its first EUR 100 million Green Bond for Group customers. Proceeds from the sale of Green Bonds will be used to finance sustainable building projects, including the construction and renovation of energy-efficient buildings.

Green mortgage loans

In order to facilitate the path of support for the ecological transition, the Cassa Centrale Group, starting in 2023, has added to its commercial offer with the "Mutuo Privati Green" personal mortgage loan, aimed at purchases of energy class "A" or "B" properties with special terms, incentivising the purchase of energy-efficient properties.

Consistent with its strategy of accompanying customers through the process of transition, in 2024 the Cassa Centrale Group introduced its "**Next Green**" product. This represents an evolution of the Mutuo Green Mortgage Loan for families and businesses, aimed at incentivising the energy upgrading of buildings by including, among the uses of the loan, renovation (in the case of: i) improvement of at least two energy classes; ii) more than 30% improvement in the energy performance of the building) and the construction of residential property units with a high energy class. The product establishes a bonus on the rate applied in the event of achievement of the objectives/alignment of the investment goals.

¹⁷ The data was gathered from the Best Practices Questionnaire in cooperation with Euricse. Please refer to section "1. General Disclosures", chapter "1.3 Strategy", para. "1.3.2 Interests and views of stakeholders".

Several commercial initiatives are already in place within the Group to support the offer of loans for the creation of photovoltaic systems for self-generation of electricity by households and businesses. In addition, 13 ESG-linked loans¹⁸ were signed in 2024 (of which: 11 pooled with certain Affiliated Banks), incentivising the financed companies to achieve sustainable goals, such as increasing self-produced and/or purchased renewable energy, and decreasing Scope 1 and Scope 2 emissions or carbon intensity. Furthermore, the offer from individual Affiliated Banks includes products designed to support the energy requalification of buildings or other investments, including small ones, that contribute in various ways to reducing emissions or to actions with a social purpose.

The most significant activities in this direction concern the preparation and implementation of ESG KPI Linked Loan and Mutui Green Mortgage Loan products, issuing a total of EUR 650 million to families and businesses.

Environmental products and services by segment – Newly originated loans for the year

ENVIRONMENTAL PRODUCTS AND SERVICES BY SEGMENT NEW LOANS IN THE YEAR	31/12/2024			
	Number of transactions	Amount disbursed for environmental products and services	Total amount disbursed in the segment	% of segment total
UoM	no.	Euro	Euro	%
Households	2,740	437,043,958	3,213,706,583	13.6%
Property loans	2,646	435,219,013	-	13.5%
Loans linked to sustainable mobility	30	487,011	-	0.0%
Loans for installation of renewable-energy generation systems	64	1,337,934	-	0.0%
Businesses, craftspeople and sole proprietors	172	213,156,211	4,714,221,160	4.5%
Property loans	90	74,498,946	-	1.6%
Loans linked to sustainable mobility	7	223,500	-	0.0%
Loans for construction/installation of renewable-energy generation systems	46	15,824,765	-	0.3%
KPI ESG Linked loans	29	122,609,000	-	2.6%
Organisations, associations and committees	1	515,000	37,080,363	1.4%
Property loans	1	515,000	-	1.4%
Total	2,913	650,715,169	7,965,008,106	8.2%

¹⁸ ESG-linked loans aim to encourage corporate clients to commit to the achieving specific sustainability targets (Sustainability Performance Targets – SPTs), monitored with specific indicators (Key Performance Indicators – ESG KPIs).

Metrics

The data in the tables are based on information in the Group's management systems and refer to the number of operations with environmental purposes broken down by segment out of total operations as at 31 December 2024. Only operational mortgages as at 31 December 2024 and not other loans were included. Specifically, refinancing, loans to counterparties other than families, companies and organisations/associations were excluded. For loans with both green and social purposes, priority was given to green aspects.

"Property loans" includes products with a green classification and those for renovating or purchase of properties with energy classes A, B and C.

The number of operations is expressed as an absolute value. In the case of pooled loans, the individual shares were counted. The amounts shown are those granted and becoming operational during the year, expressed in Euro.

Newly originated loans for the year are included in the balances as at 31 December 2024, as shown in the section "Operating performance of the Cassa Centrale Group" in the Report on Operations, namely in the table "Customer loans".

SACE Green Guarantee

To encourage and accelerate the ecological transition of companies, Cassa Centrale Banca has renewed its collaboration with SACE, supporting their investments aimed at reducing the environmental impacts of their activities. The renewed collaboration allows the Affiliated Banks to provide businesses operating in their territories with the SACE guarantee, to support and facilitate investments in: climate change mitigation and adaptation, prevention and reduction of polluting activities, protection of water and marine resources, safeguarding and restoration of biodiversity and ecosystems, sustainable mobility and circular economy, in line with the Green New Deal and with the taxonomy defined by the European Union. Corporations with a turnover of up to EUR 500 million, will be able to benefit from SACE's 80% Green Guarantee, issued at market conditions, through a fully standardised and digitalised process. To ensure the Green Guarantee instrument is as accessible as possible, SACE has simplified and further digitalised the process, improving the customer experience with a dedicated portal. New features include greater flexibility of financing, including the option of multiple disbursements. The new methods of access to the Green Guarantee represent a further step forward on SACE's digital transformation path, consistent with the strategy and objectives of the INSIEME2025 Business Plan, facilitating and accelerating signing of new green agreements. For more information on the agreement with SACE and the results achieved, please refer to the section on "3. Social Information", chapter "3.3 Consumers and End-Users", para. "3.3.6 Loans with social purposes".

The year 2025 will therefore mark the gradual introduction of the range of loans with specific ESG characteristics, starting with the definition of Green, Social and Sustainable Loan projects aimed at retail customers (e.g., personal loans and equipment leases) with favourable terms compared to standard market rates.

By constantly involving stakeholders in the process to monitor and evaluate Responsible Lending Policies, the Group is able to identify opportunities for improvement and ensure that the Policies always align with stakeholders' needs and expectations. Moreover, this approach also serves to create sustainable and shared solutions and increase transparency and trust in the Group.

Finance actions

Since 2021, the Group has adopted the Financial Services Sustainability Policy, updated in 2023, to comply with EU regulations (SFDR and Taxonomy Regulation). This policy defines measures for the integration of sustainability risks into investments and financial services, the classification of ESG products and transparent sharing of information.

In particular, the NEF Ethical Global Trends SDG fund is classified as an Article 9 SFDR fund, while another three NEF Ethical sub-funds fall under Article 8 funds.

For more details, see the section on responsible finance products in the chapter on consumers and end-users. Please refer to section "3. Social Information", chapter "3.3 Consumers and End-Users", para. "3.3.7 Responsible finance".

2.2.4 Emissions generated and energy consumption

2.2.4.1 Energy consumption and mix

[ESRS E1 E1-5]

[ESRS 2 MDR-M]

The Group continues to monitor and implement strategies to improve its energy efficiency and reduce the environmental impact of its operations, with an increasing commitment to greater use of renewable energy and reduced dependence on fossil fuels.

The majority of the Group's consumption derives from the use of air conditioning, heating and cooling systems in buildings, as well as lighting and company mobility.

In 2024, the Group's total consumption amounted to 89,850 MWh and was divided into:

- 40.8% of total energy consumption from fossil fuels;
- 59.2% of total energy consumption from renewable sources.

The table below shows the composition of the Group's energy mix, with details of the different sources of supply and their relative amounts in relation to overall energy consumption.

Total energy consumption in MWh of the company's own operations

ENERGY CONSUMPTION AND ENERGY MIX	UoM	31.12.2024
Total energy consumption		89,850
Total energy consumption from fossil fuels		36,616
consumption of coal fuels and coal products		-
consumption of fuels from crude oil and petroleum products		9,733
of which: corporate fleet		7,500
of which: heating and other	MWh	2,233
fuel consumption from natural gas		24,483
of which: corporate fleet		33
of which: heating and other		24,450
fuel consumption from other fossil sources		-
consumption for electricity, heat, steam or cooling from fossil fuels, purchased or acquired		2,400
<i>Fossil energy as a percentage of total energy consumption</i>	%	40.8%
Total energy consumption from nuclear sources	MWh	-
<i>Percentage of total energy consumption from nuclear sources</i>	%	-
Total energy consumption from renewable sources		53,234
consumption of fuels from renewable sources		149
consumption for electricity, heat, steam or cooling from renewable sources, purchased or acquired	MWh	51,362
consumption of self-generated renewable energy without using fuels		1,723
<i>Percentage of total energy consumption from renewable sources</i>	%	59.2%

Metrics

The consumption values include bills from suppliers for real estate and actual consumption for the company car fleet (owned and long-term rental vehicles). For mixed-use vehicles, only 70% of consumption was taken into account. It is noted that for one company, the consumption of cars assigned to employees was estimated on the basis of the contractual mileage and consumption declared by the car manufacturer.

Included within the scope of Sustainability Reporting, there are legal entities operating in sector A - Agriculture, Forestry and Fishing (1 entity) and sector L - Real Estate (8 entities), falling within the high-climate-impact sectors, as defined in Sections A to H and Section L of Annex I of Regulation (EC) 1893/2006 of the European Parliament and of the Council (as defined in Commission Delegated Regulation (EU) 2022/1288). However, since the sub-topic Energy was not material, no distinction was made between the energy of high-climate-impact entities and the others, and energy intensity was not reported.

Conversion factors: DEFRA, UK Government GHG Conversion Factors for Company Reporting (2024), factors in megawatt hours (MWh) in net calorific value.

Total energy production in MWh

TOTAL ENERGY PRODUCTION	UoM	2024
Total energy production		2,255
Energy production from non-renewable sources		19
Energy production from renewable sources	MWh	2,236
of which self-consumed		1,723
of which fed into the grid		513

Metrics

Energy from renewable sources: energy production from renewable sources includes energy produced by the installation of photovoltaic panels.

Energy from non-renewable sources: energy production from non-renewable sources includes micro co-generators powered by natural gas.

Purchased and self-produced electricity, on the other hand, amounts to **51,957 MWh**. Of this, more than 97% of the electricity used comes from renewable sources, in line with the goals of the Sustainability Plan. Of the total electricity purchased, 95.8% was purchased with Guarantees of Origin in Italy and 1.6% was purchased with attributes related to energy production.

Contractual instruments used for purchase and sale of electricity

CONTRACTUAL INSTRUMENTS USED FOR PURCHASE AND SALE OF ELECTRICITY	UoM	2024
Total electricity purchased	MWh	51,957
Contractual instruments used for the purchase and sale of energy with energy-production attributes	MWh	840
Contractual instruments used for the purchase and sale of stand-alone energy-attribute declarations	MWh	49,775
Percentage of contractual instruments used for the purchase and sale of energy with energy-production attributes	%	1.6%
Percentage of contractual instruments used for the purchase and sale of stand-alone energy-attribute declarations	%	95.8%
Total energy from contractual instruments	%	97.4%

2.2.4.2 Direct and indirect emissions

[ESRS E1 E1-6]

[ESRS 2 MDR-M]

Greenhouse Gas Emissions - Scope 1, Scope 2 and Scope 3

In 2024, the Group expanded the reach of its emissions calculations and particularly Scope 3 emissions, including category "15 - Investments", identified as the most significant by Industry Guidelines, category "2 - Capital goods" and category "7 - Employee commuting". Finally, the categories reported in the past have been retained, specifically category "1 - Purchased goods and services", supplemented by the calculation of emissions generated by purchased services, and category "6 - Business travel".

The remaining categories were considered "non-material" after materiality analysis, as they are not applicable to the banking sector or do not contribute to the Group's exposure to climate change-related risks. In particular:

- **Category 3 - Fuel and energy-related activities:** in the banking sector, emissions generated for this category are insignificant compared to total Scope 3 emissions;
- **Category 4 - Upstream transportation and distribution:** emissions for this category are included in Category 1 - Services, with inclusion of the item "cash-in-transit" under "Other administrative expenses" on the Income Statement. Furthermore, the category is not identified as significant in terms of total emissions;
- **Category 5 - Waste generated in operations:** emissions generated are not significant as waste is not material for the banking sector;
- **Category 8 - Upstream leased assets:** emissions associated with leased properties are already measured and accounted for within Scope 1 and Scope 2;
- **Category 3 - Downstream transportation and distribution:** in the banking sector, emissions generated for this category are insignificant compared to total Scope 3 emissions;
- **Category 10 - Processing of sold products:** this category is not applicable to the Group, since the core business is not the sale of physical products, but the provision of financial, insurance and investment services. These services are already accounted for in Category 1 - Services;
- **Category 11 - Use of sold products:** not applicable for the banking sector;
- **Category 12 - End-of-life treatment of sold products:** not applicable for the banking sector;
- **Category 13 - Downstream leased assets:** emissions related to leased properties are already measured and accounted for within Scope 1 and Scope 2;
- **Category 14 - Franchises:** not applicable, as the Group has no franchising activities in its business model.

Gross Scope 1, 2 and 3 GHG emissions and total emissions

GROSS SCOPE 1, 2 AND 3 GHG EMISSIONS AND TOTAL GHG EMISSIONS		UoM	31/12/2024
Gross GHG emissions - Scope 1 - Consolidated accounting group			
Gross GHG emissions - Scope 1		tCO ₂ eq	7,360
Percentage of Scope 1 GHG emissions covered by regulated emissions trading schemes		%	-
Gross GHG emissions - Scope 1 - Companies with operational control			
Gross GHG emissions - Scope 1		tCO ₂ eq	14
Percentage of Scope 1 GHG emissions covered by regulated emissions trading schemes		%	-
Gross GHG emissions - Scope 1 - Total			
Gross GHG emissions - Scope 1		tCO ₂ eq	7,374
Percentage of Scope 1 GHG emissions covered by regulated emissions trading schemes		%	-
Gross GHG emissions - Scope 2 - Consolidated accounting group			
Gross GHG emissions - Scope 2 - location based		tCO ₂ eq	14,575
Gross GHG emissions - Scope 2 - market based		tCO ₂ eq	866
Gross GHG emissions - Scope 2 - Companies with operational control			
Gross GHG emissions - Scope 2 - location based		tCO ₂ eq	15
Gross GHG emissions - Scope 2 - market based		tCO ₂ eq	2
Gross GHG emissions - Scope 2 - Total			
Gross GHG emissions - Scope 2 - location based		tCO ₂ eq	14,591
Gross GHG emissions - Scope 2 - market based		tCO ₂ eq	868
Significant Scope 3 GHG emissions - Total			
Total gross indirect GHG emissions (Scope 3)		tCO ₂ eq	30,774,638
1 Purchased goods and services			87,349
2 Capital Goods			46,044
3 Fuel and energy-related activities (not included in Scope 1 or 2)			
4 Upstream transportation and distribution			
5 Waste generated in operations			
6 Business travel			2,109
7 Employee commuting			14,991
8 Upstream leased assets			
9 Downstream transportation and distribution			
10 Processing of sold products			
11 Use of sold products			
12 End-of-life treatment of sold products			
13 Downstream leased assets			
14 Franchises			
15 Investments			30,624,145
Total gross GHG emissions			
Total GHG emissions (location-based)		tCO ₂ eq	30,796,602
Total GHG emissions (market-based)		tCO ₂ eq	30,782,880

Gross biogenic emissions - out of scope	UoM	2024
Scope 1		
Gross biogenic emissions - Out of Scope - Consolidated accounting group	tCO ₂ eq	205
Gross biogenic emissions - Out of Scope - Operational control	tCO ₂ eq	-
Scope 2		
Gross biogenic emissions - Out of Scope - Consolidated accounting group	tCO ₂ eq	-
Gross biogenic emissions - Out of Scope - Operational control	tCO ₂ eq	-

Metrics

The methodology for calculation of Scope 1 and Scope 2 emissions was based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004 version).

Emissions were calculated from energy consumption. More specifically, they include emissions from fuel consumption and electricity consumed for all owned and leased buildings within the Group's scope.

Scope 1

For calculation of Scope 1 emissions, in addition to fossil energy related to heating and the company car fleet, emissions from refrigerant gas leaks were also included.

For all companies and Banks, emissions were calculated based on supplier bills. Where consumables are included in the lease, consumption was included for the relevant share.

Calculation of vehicle-fleet emissions for the purposes of Scope 1 considered cars used for business and mixed use. For the latter, only 70% of consumption was taken into account as the Banks only have partial influence over the emissions of these vehicles, as they cannot control personal use.

It is noted that for one company, the consumption of cars assigned to employees was estimated on the basis of the contractual mileage and consumption declared by the car manufacturer.

DEFRA, UK Government GHG Conversion Factors for Company Reporting (2024) were used for the calculation of stationary combustion, car-fleet utilisation, refrigerant gas losses and out-of-scope biogenic emissions.

Scope 2

For all companies and Banks, emissions were calculated based on supplier bills. Where consumables are included in the lease, consumption was included for the relevant share. Energy consumed by one company was excluded, for which consumption was estimated using the CURB database and on the basis of the square-metage of the plant.

The CURB database (Climate Action for Urban Sustainability) is a tool designed to help cities evaluate and plan strategic actions to increase sustainability and reduce greenhouse gas emissions. Specifically, it provides information to estimate current and future urban greenhouse gas emissions through energy consumption in different areas, such as energy consumption per unit area of buildings (e.g. kWh per square metre).

The emission factors used are:

- ISPRA - Report published in 2024, for purchased electricity consumption of the Italian business, adopting the location-based methodology;
- Association of Issuing Bodies (AIB), 2023 European Residual Mixes, V.1.0 (2024), for electricity consumption, market-based methodology, using the specific factor for Italy and Luxembourg. AIB does not report emission factors for gases other than CO₂; therefore, the relevant Scope 2 market-based emissions are expressed in tonnes of CO₂. In any case, the proportion of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalent), as inferred from the relevant technical literature.
- Biogenic emissions: biogenic CO₂ emissions from the combustion or biodegradation of biomass, biofuels, biogas or other bioenergy sources in Scope 2 have not been calculated as the emission factors applied do not distinguish the percentage of biomass or biogenic CO₂.

The Group used secondary data for calculation of Scope 3 emissions. Specifically, it sourced emission factors from publicly available documents or third-party databases. Therefore, 0% of emissions are calculated from primary data obtained from suppliers and/or other partners along the value chain.

Details on the reported Scope 3 categories are provided below.

Focus on purchased goods and services

Scope 3 emissions category 1 includes all upstream emissions from the production of goods and services purchased by the company in the reporting year.

Focus: SCOPE 3 - CAT.1 PURCHASED GOODS

CAT. 1 PURCHASED GOODS	31.12.2024	
	Total Material Used	Emissions for Purchased goods
UoM	kg	tCO ₂ eq
Office paper - certified virgin	736,926	987
Office paper - non-certified virgin	15,701	21
Office paper - certified recycled	106,247	111
Office paper - non-certified recycled	-	-
Total office paper	858,875	1,119
Original toner cartridges	10,708	75
Remanufactured toner cartridges	2,684	19
Total toner cartridges	13,392	94
% Recycled office paper	12.4%	
% Certified office paper	98.2%	
% Remanufactured toner cartridges	20.0%	
Total emissions for Purchased goods		1,213

Focus: SCOPE 3 - CAT. 1 PURCHASED SERVICES

CAT. 1 PURCHASED SERVICES	31/12/2024	
	Emissions for Purchased services	
	UoM	tCO ₂ eq
ICT expenses		22,244
Consultancy and professional services		23,309
Advertising, marketing and communication		4,077
Expenses related to credit risk		1,173
Expenses related to real-estate operations		3,476
Other administrative expenses		31,859
Total emissions for purchased services		86,136

Metrics

The methodology for calculation of Scope 3 emissions was based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004 version).

This category includes all upstream (cradle-to-gate) emissions for the production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible) and services (intangible). Although emissions associated with the consumption of office paper are not significant for the Cassa Centrale Group, this source was nevertheless included in continuity with the GHG emissions inventory of previous years.

Therefore, category 1 consists of:

- **tangible products:** consumption of office paper and toner cartridges for which the average-data method was applied, with data requested directly from Companies within the reporting scope. In particular, purchase invoices were consulted to calculate the weight in kg of materials. The source of emission factors was DEFRA 2024 for certified/non-certified virgin/recycled paper and Ecoinvent v 3.9.1 for certified/non-certified original or remanufactured toner cartridges;
- **intangible products:** purchased ICT services, consultancy and professional services, advertising, marketing and communication, expenses related to credit risk, expenses related to real estate, and other administrative expenses, excluding the sub-items Electricity, Heating, Taxes and Fees, Business Travel Expenses (mileage/toll/fuel reimbursements), and Contributions to Associations and Contribution to the National Resolution Fund and to the Deposit Guarantee Scheme. Data was extracted from the Consolidated Financial Statements, in particular from the item "Other Administrative Expenses" (Table 12.5 of the Explanatory Notes) in the Income Statement. For the individual Affiliated Banks, the sub-items to be excluded were extracted centrally. Requests were made directly to other fully consolidated companies for the sub-items to be excluded. Requests were made to Companies Consolidated with the Equity Method for details of the cost items to be included.

Estimates were calculated using the spend-based method and DEFRA, UK Government GHG Conversion factors by SIC code (2021), to which the annual inflation rate from 31/12/2021 to 2024 was applied.

Focus: capital goods

Scope 3 emissions category 2 includes all upstream emissions from production of capital goods purchased or acquired by the Group in the reporting year. Emissions cover the entire production cycle of capital goods through to delivery.

In contrast with financial accounting, where capital assets are depreciated over their useful life, the Scope 3 calculation of emissions requires that the emissions associated with their production are fully accounted for in the year of acquisition, without any discounting or amortisation mechanism.

Focus: SCOPE 3 - CAT. 2 CAPITAL GOODS

CAT. 2 CAPITAL GOODS	31.12.2024	
	Emissions related to capital goods	
	UoM	tCO ₂ eq
Tangible fixed assets		38,790
Intangible fixed assets		7,254
Total emissions related to capital goods		46,044

Metrics

This category includes all upstream (cradle-to-gate) emissions for the production of capital goods purchased or acquired by the reporting company in the reporting year. The methodological approach adopted follows the Greenhouse Gas Protocol guidelines.

For data collection purposes, each Bank and Company extracted the value of new fixed assets during the year from the Fixed asset register/Accounts.

The spend-based method was used to calculate emissions. The source of the emission factor was EUROSTAT - Environmental statistics and accounts; sustainable development (Consumption-based accounting tool 2023).

Focus: Business travel

Scope 3 emissions category 6 includes indirect emissions from business travel by company personnel.

Focus: SCOPE 3 - CAT. 6 BUSINESS TRAVEL

CAT. 6 BUSINESS TRAVEL	31/12/2024	
	Business trip emissions	
	UoM	tCO ₂ eq
Cars		1,524
Train		108
Taxi or car with driver		3
Aeroplane		475
Total emissions for Business travel		2,109

Metrics

This category includes emissions from the transport of employees and corporate executives for company business in vehicles owned or operated by third parties.

For preparation of the data, company management systems and any travel agencies managing trips for Affiliated Banks and Subsidiaries were consulted. Emissions were calculated applying the distance-based method and DEFRA UK Government GHG Conversion Factors for Company Reporting (2024) were used, based on:

- car, considering size and fuel;
- train, both for national and international rail travel;
- taxis/car with driver;
- aircraft, by class of travel and distance range (short-haul, medium-haul and long-haul).

Focus on employee commuting

Between October and November 2024, the Group submitted a questionnaire to all employees within the reporting scope, with the aim of calculating emissions generated by commuting. The survey gathered data on the habits of Group employees, including the means of transport used to get to work, average distances travelled and frequency of travel. A total of 9,791 responses were received, considered valid, out of a total of 12,284 employees as at 31 December 2024, with a response rate of 79.7%, disregarding questionnaires considered invalid. The data was used to calculate emissions associated with each type of travel, in order to monitor and reduce the Group’s environmental impact in relation to daily travel of its employees.

Focus: SCOPE 3 - CAT. 7 EMPLOYEE COMMUTING

CAT. 7 EMPLOYEE COMMUTING	31/12/2024	
	Emissions from Employee commuting	
	UoM	tCO ₂ eq
Emissions from employee commuting		14,991

Metrics

This category includes Scope 3 emissions related to employee travel between home and the workplace in vehicles not owned or operated by the reporting company.

It was decided to apply the distance-based method, which requires use of precise data on the distance travelled by employees, distinguished by means of transport used (car, motorbike, bus/tram, metro, train, bicycle/on foot/electric scooter).

The data used were directly requested via an employee questionnaire. This survey also gathered information on days worked from home and weeks of extended absence, in addition to ordinary holidays during the year.

For employees who did not respond to the survey or for whom the responses were not considered valid, an estimate was made from the average per Bank/Company of emissions generated by each employee.

The emission factors used are indicated below.

- For cars: Ispra 2022 Database of average emission factors for road transport; Medium Segment, specific to different fuel types and Euro categories (Euro 1 to Euro 6).
- For public transport and other vehicles, such as motorbikes, bus/tram, metro and train: DEFRA 2024 Business travel-land.
- Homeworking: DEFRA 2024 Homeworking.

Focus: Investments

Focus: SCOPE 3 - CAT. 15 INVESTMENTS

CAT. 15 INVESTMENTS	31/12/2024	
	Emissions for Investments	
	UoM	tCO ₂ eq
Credit exposures		27,389,340
Own securities portfolio		3,234,708
Equity investments in companies held as investments		97
Total emissions for Investments		30,624,145

Metrics

This category includes Scope 3 emissions associated with the reporting company's investments and loans in the reporting year, not included under Scope 1 and Scope 2 emissions.

The calculation was made following the methodology outlined in the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the Partnership for Carbon Accounting Financials (PCAF). This standard provides detailed guidance for the calculation of financed emissions, based on the availability and quality of data. In addition, the PCAF sets out calculation methodologies for seven financial asset classes (Listed equity & Corporate bonds, Business loans and unlisted equity, Project finance, Commercial real estate, Mortgages, Motor vehicle loans and Sovereign debt).

The Group has quantified its financed emissions by collecting information on its own loans and investments, using both data from internal management systems and external suppliers, where necessary.

For each category of loans and investments included under Scope 3 category 15, the table below shows the reporting scope and the percentage of coverage of returned data with respect to the Gross Carrying Amount (GCA).

Group investment category	Reporting scope	Coverage of reported data [%]
Credit exposures (Loans to customers measured at amortised cost)	Parent Company	Loans to corporate counterparties with unknown use of proceeds (General Purpose) 48%
	Affiliated Banks	Loans to individuals/companies for purchase of residential or commercial real estate (Commercial and Residential Real Estate) 66%
Own securities portfolio (Securities not held for sale)	Parent Company	
	Affiliated Banks	99%
	Allitude	
Equity investments in companies held as investments (Equity investments in associates consolidated with equity method)	Associates over which the Group does not exercise operational control (see Reporting scope in section "1. General Disclosures")	100%

With regard to credit exposures, in accordance with the PCAF reference methodology and taking into account any exclusions reported, as well as limitations arising from the availability of data, the calculation was performed considering the following aspects:

- only on-balance-sheet exposures are taken into account;
- loans with "known use of proceeds", other than Commercial Real Estate and Residential Real Estate (attributable to the PCAF asset classes "Motor Vehicle Loans" and "Project Financing") have been excluded from calculation of financed emissions as specific and reliable emission data relating to the assets/project associated with the loan are unavailable;
- calculation of the emissions of loans for some subsidiaries is not currently performed due to the lack of specific data required. These companies provide consumer financing (i.e. motor-vehicle purchases, real-estate leasing, etc.) for which the PCAF methodology requires detailed data and technical information on the assets underlying the finance, currently unavailable to the Group.

For emissions related to the own securities portfolio, in line with the PCAF methodology, exposures with the following characteristics were excluded from calculation:

- indirect investments (i.e. investments in funds);
- off-balance-sheet exposures, as the standard requires inclusion of financial assets reported in the balance sheet and not held for sale;
- derivative products;
- securities issued by financial institutions to Central Banks (i.e. deposits, derivative transactions, repos).

The Group will continue its efforts to improve coverage of its various exposures, increasing dialogue with Banks and counterparties, while continuing to refine estimation and calculation methods.

Emission intensity

[ESRS E1 E1-6]

[ESRS 2 MDR-M]

The table below shows the emission intensity values calculated with location-based and market-based methods.

Emission intensities against net revenues

EMISSION INTENSITY	UoM	31/12/2024
Total location-based emissions against Net revenues	tCO ₂ eq/EUR million	7,225
Total market-based emissions against Net revenues	tCO ₂ eq/EUR million	7,222

To ensure transparency and traceability of information, the value of net revenues used in calculation of emission intensity was reconciled with the corresponding items in the Group's financial statements.

Reconciliation of net revenues

REVENUES	UoM	31/12/2024		Total
		Consolidated accounting group	Companies consolidated with equity method	
Net revenues used to calculate emission intensity		4,257	6	4,263
Net revenues (other)	EUR million	160	-	160
Total net revenues (in financial statements)		4,417	6	4,422

Metrics

Net revenues were considered as positive income components in the consolidated financial statements, in accordance with Article 43, para. 2, letter c) of Council Directive 86/635/EEC of 8 December 1986 (Article 1, para. 2, letter c). Revenues from companies consolidated with the equity method were added to these items.

[E1-7,E1-8]

The Cassa Centrale Group has no data to report on GHG removals and residual GHG mitigation projects financed with carbon credits. Furthermore, the Group has not currently established any internal carbon pricing process.

2.2.5 Targets related to climate change mitigation and adaptation

[ESRS E1 E1-4]

[ESRS 2 MDR-T]

In line with the ambitions outlined in the 2024-2027 Strategic Plan, the Group is committed to establishing an internal process to support efforts to set short-, medium- and long-term decarbonisation targets.

In line with the sustainability goals defined in the Sustainability Plan and the principles in the Group's Environmental Policy, the Group incorporates environmental sustainability into its strategy, actively contributing to ecological transition and the reduction of climate impacts.

In relation to the management and mitigation of energy consumption, a goal has been set to purchase 100% of electricity under direct management from certified renewable sources in Italy by 2025. This initiative contributes to the progressive reduction, down to zero, of indirect GHG Scope 2 emissions, calculated according with market-based approach. In addition, by 2026, the Group aims to obtain UNI CEI EN ISO 50001:2018 certification for its Energy Management System, starting with the Offices of the Parent Company.

The Group is working on the following strategic objectives related to climate change mitigation:

- setting its first Net-Zero targets for financed emissions from its own credit exposures (General Purpose and Commercial and Residential Real-Estate loans) by 2025;
- definition and adoption of a Transition Plan by 2026, based on the Group's decarbonisation targets, identified mitigation actions and a robust investment plan to engage decarbonisation levers;
- offsetting residual direct Scope 1 and indirect Scope 2 emissions through a gradual and progressive process implemented across the Group's consolidation scope.

Regarding management of environmental issues, the Group plans to extend UNI CEI EN ISO 14001 certification for the Environmental Management System, currently in place for some Allitude operational offices, to the Parent Company offices by 2026. More information on the 2024-2027 Sustainability Plan can be found in the section "1. General Disclosures", chapter "1.4 Management of Impacts, Risks and Opportunities", para. "1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model".

3. Social Information

3.1 Own Workforce

ESRS S1

3.1.1 Strategy: Impacts, risks and opportunities

[ESRS S1 SBM-3]

Through its double materiality analysis, the Cassa Centrale Group has identified material positive impacts and opportunities on its workforce, without reference to specific categories of workers. All own employees on which the Group could have a material impact are included in the scope of disclosure pursuant to ESRS2. Specifically, as at 31 December 2024 the workforce consisted of 12,284 employees, with 1.6% executives, 29.1% middle managers and 69.3% office staff. 44% of total employees are female. In addition, the Group also relies on the cooperation of 245.4 workers who are not employees (calculated as the average number of people employed at the end of each month), including temporary workers, extracurricular interns, freelance consultants or agents with VAT number.

The analysis did not reveal any negative impacts or risks. In particular, no transactions were identified as posing a serious risk of forced or compulsory labour, as the controls provided for by current banking regulations ensure high standards of transparency and compliance, significantly reducing the possibility of illegal practices. Moreover, the Group's supervisory mechanisms and internal policies ensure operations are constantly monitored, preventing exploitation and violations of workers' fundamental rights. Furthermore, no material impacts related to actions to reduce negative environmental impacts have been identified and there is currently no transition plan.

The nature of the Group, rooted in the principles of Cooperative Credit, is intrinsically oriented towards a sustainable, inclusive business model and towards the common good. In particular, promotion of human capital, a safe working environment and constant development of professional skills are key components of the company's strategy, in line with the governance principles and the goals of the 2024-2027 Strategic Plan. The human resources strategy enables improvement in levels of employee knowledge regarding Cooperative Credit, improvement in welfare programmes and the provision of targeted professional training that take into account the personal and professional development of all employees. This inclusive and stimulating working environment is also reflected for workers who are not employees, e.g. With implementation of accident and injury management systems.

The positive impacts for employees can bring opportunities in terms of increased productivity and reduced operating costs, reflected in relationships with potential future employees. Furthermore, improvement in the specific skills and performance of personnel results in an overall enhancement of Group performance.

For further details on IROs, please refer to the section "1. General Disclosures", chapter "1.4 Management of Impacts, Risks and Opportunities", paragraph "1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model".

3.1.2 Management of impacts, risks and opportunities

3.1.2.1 Policies related to own workforce

[ESRS S1 S1-1]

[ESRS 2 MDR-P]

The Cassa Centrale Group has adopted a structured system of policies in the social sphere, aimed at ensuring fair working conditions, protecting workers' rights, promoting an inclusive environment and guaranteeing health and safety.

The Group has established employee welfare policies to guarantee respect for diversity and equal opportunities, and respect for human rights. The Group also has a Group Occupational Health and Safety Policy and Remuneration and Incentive Policies.

The Board of Directors of the Parent Company is ultimately responsible for implementation of all Group-wide policies.

With regard to safeguarding employee confidentiality, on the other hand, the Group has adopted dedicated procedures to manage data breaches, with the aim of ensuring data protection and IT security. These aspects are discussed in more detail in the section "3. Social Information", chapter "3.3 Consumers and End-Users", paragraph "3.3.2 Impacts and reporting channels".

Diversity Policy

[ESRS S1 S1-1]

[ESRS 2 MDR-P]

The Diversity Policy, approved by the Board of Directors on 6 February 2019, was adopted by the Cassa Centrale Group with the intention of providing a preventive framework to guide, regulate and monitor the conduct to which all recipients are bound with respect to diversity, inclusion and equal opportunities in the workplace. Aspects covered by the Policy include: social dialogue, freedom of association, the existence of works councils and the right to information, consultation and participation of workers, collective bargaining, work-life balance, gender equality and equal pay for work of equal value, employment and inclusion of persons with disabilities, measures against violence and harassment in the workplace, and diversity.

The Policy applies to all Group Companies. Specifically, it addresses corporate bodies, executives, financial advisers, employees and other personnel and all those who operate under the control of Group Companies or are involved in the provision of investment services and activities. This also includes all natural persons involved in outsourcing agreements for the provision of services. The Policy also extends to persons representing the Group with entities, bodies and investee companies, as well as all third parties with which the Group has relations, in compliance with current legislation and existing agreements. Suppliers of goods and services for use by the Group are also required to comply with the principles established.

This Policy is based on internationally accepted declarations, conventions, standards, principles, guidelines and recommendations and is applied together with other existing Group procedures and guidelines such as the Human Rights Policy, the Organisation, Management and Control Model and the Code of Ethics. In particular, the Diversity Policy draws on:

- the European Convention on Human Rights;
- the United Nations International Bill of Human Rights, including the UN Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights;
- the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO) and related Conventions;
- the United Nations Global Compact;
- the United Nations Convention on the Rights of the Child.

The organisation has made a concrete commitment to support inclusion, taking specific measures to benefit persons from particularly vulnerable groups within its workforce, including:

- diversity and inclusion policies;
- support for employees with disabilities;
- gender equity initiatives such as UNI Pdr 125:2022 Gender Equality Certification;
- support for ethnic and cultural groups.

For further information and a detailed description of the policies, please refer to the document “Diversity Policy” available on the Cassa Centrale Banca website at the address www.cassacentrale.it, in the “Sustainability” section.

Respect for human rights is integrated and monitored by the respective Group Human Rights Policy, described in section “4. Information on Governance”, chapter “4.1 Business Conduct”, paragraph “4.1.2.2 Corporate culture and business conduct policies”. Included in this policy are issues such as respect for fundamental human rights, issues of safe employment, adequate working hours, training and skills development, protection of minors and repression of exploitative behaviour of any kind. The Cassa Centrale Group also rejects all forms of forced, compulsory or bonded labour, and discriminatory or harmful attitudes or behaviour.

Group Occupational Health and Safety Policy

[ESRS S1 S1-1]

[ESRS 2 MDR-P]

In 2024, the Board of Directors approved the update of the Group’s Occupational Health and Safety Policy, which lays down the commitment of all Group Companies, the principles and the general objectives regarding proper management of health and safety in the workplace, preventing accident risks. To this end, technical planning of workplaces, equipment and processes must be guided by the strictest level of compliance with current occupational safety and hygiene regulations, ensuring that all employees strictly observe safety and prevention measures. Each employee is required to pay maximum attention when carrying out their duties, strictly complying with all safety and prevention measures established in order to avoid every possible risk to themselves or colleagues. In this respect, the general goals identified at Group level are aimed at protecting both internal company personnel, external personnel and customers, who have a right to safe environments and buildings.

The Policy has a broad scope of application, covering persons involved in the activities of the Cassa Centrale Group, and specifically corporate bodies, executives, employees and external personnel, persons involved in the provision of services and activities offered by the Group, and individuals involved in outsourcing agreements for the provision of services. The policy is also addressed to all third parties with whom the Group has relations, in accordance with the law and agreements entered into by individual Companies.

The Group drafted the Policy drawing on an including the provisions of Legislative Decree no. 231/2001 and Legislative Decree 81/2008 “Consolidated Occupational Health and Safety Act”, and the requirements of the UNI EN ISO 45001 Standard on Occupational Health and Safety Management Systems and the UNI INAIL 2001 Guidelines.

For Cassa Centrale Banca, oversight of health and safety is assigned to the Workplace Prevention and Protection Office, which is tasked with supporting the Safety, Prevention and Protection Service Manager (the “RSPP”) in order to guarantee effective management of risk-oversight mechanisms with regard to occupational health and safety. They meet periodically to discuss the Parent Company’s management of occupational health and safety.

The Cassa Centrale Group recognises the provision of information and training to employees as fundamental tools for implementation of the key occupational health and safety objectives and for recognition of the potential risks. The Parent Company is in the process of planning training courses together with the Prevention and Protection Service Manager and the Human Resources Department.

For further information and a detailed description of the policies, please refer to the document “Group Occupational Health and Safety Policy” available on the Cassa Centrale Banca website at the address www.cassacentrale.it, in the “Sustainability” section.

Group remuneration and incentive policies

[ESRS 2 MDR-P]

The Group has adopted the Remuneration and Incentive Policies with the aim of developing consistent remuneration systems and guaranteeing wages aligned the Group's values and mutual goals of the Affiliated Banks. The Parent Company's Remuneration Policy is approved annually by the Board of Directors of the Parent Company and subsequently adopted by the Cassa Centrale Banca Annual General Meeting. Affiliated Banks transpose Group Policies and adopt their own, in compliance with Parent Company guidelines on remuneration, while Other Group Companies are responsible for compliance with the regulations directly applicable to them and for the proper implementation of Parent Company guidelines.

Specifically, the Group monitors any observations raised by the Affiliated Banks during the process to define and manage the Remuneration Policy through direct contact, training initiatives and surveys.

The Policies have been defined on the basis of the 37th update of 24 November 2021 of the Bank of Italy Regulatory Provisions on "Remuneration and Incentive Policies and Practices" and Commission Delegated Regulation (EU) no. 923/2021 of 25 March 2021, with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out qualitative and quantitative criteria able to identify staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of the CRD. The Guidelines on Sound Remuneration Policies under Directive 2013/36/EU, issued by the EBA on 2 July 2021, were also considered.

The Policies also comply with the Provisions on "Transparency of banking and financial transactions and services"; appropriateness of relations between intermediaries and customers, updated by the Bank of Italy on 19 March 2019, align national provisions with the Guidelines on remuneration policies and practices relating to the sale and supply of retail banking products and services issued by EBA in December 2016.

Furthermore, the Policies include information on their consistency with the integration of sustainability risks, in compliance with the provisions of Article 5 - Transparency of remuneration policies in relation to the integration of sustainability risks of Regulation (EU) no. 2019/2088.

The Policies describe in an organic manner: the principles on which the Cassa Centrale Group's remuneration and incentive system is based; the roles, timing and activities that define the governance of the process of drafting, reviewing and adopting Group remuneration and incentive policies; the remuneration and incentive system to be adopted in 2024 by the Group for all employees, including the most important personnel, as well as for the members of corporate bodies.

The aim is to implement remuneration systems consistent with the Group's values and the shared aims of the Affiliated Banks to support the interest of all stakeholders. The remuneration policies support the Group's long-term strategy and the achievement of its corporate objectives, including sustainable finance, taking ESG factors into account. They are defined in accordance with the Group's prudent risk management policies, including strategies for monitoring and managing impaired loans, as defined under the current provisions on the prudential control process.

Personnel covered by the Remuneration and Incentive Policies include all Group employees, members of corporate bodies and all Group Companies, which are required to implement and apply the Policies according to the applicable regulations.

The remuneration of the Group's employees consists of a fixed component and a variable component. The fixed component is based on the contractual situation, the role held, the responsibilities assigned, and the specific experience and expertise of the employee, while the variable component is performance based and linked to the results actually achieved and the risks prudently assumed. The fairness and competitiveness of the Group's total personnel remuneration and the weighting of its various components are also monitored through continuous internal and external comparison with the labour market in the banking sector. Please refer to the section on "1. General Disclosures", chapter "1.2 Governance", paragraph "1.2.3 Integration of sustainability-related performance in incentive schemes" for further details on the remuneration mix in terms of fixed and variable components.

For further information and a detailed description of the policies in place, please refer to the document “2024 Group remuneration and incentive policies” available on the Cassa Centrale Banca website at the address www.cassacentrale.it, in the “Governance” section.

3.1.2.2 Processes for engaging with own workers

[ESRS S1 S1-2]

In the cooperative credit model on which the Cassa Centrale Group is founded, people sit at the heart of a system based on participation, promotion of human capital and creation of shared long-term value.

Art. 1 of the Charter of Values for Cooperative Credit celebrates the “central importance of the person” as “Cooperative Credit is a system of Banks consisting of people who work for people” and “invests in human capital to stably enhance it”. Indeed, the Group values initiative, promotes flexibility and fosters growth opportunities through appropriate professional-development pathways and support for active participation in projects.

The Cassa Centrale Group values the well-being of its employees, promoting a working environment based on listening and dialogue, essential in definition of a corporate strategy that is aligned with employees’ needs. For further details, please refer to section “1. General Disclosures”, chapter “1.3 Strategy”, paragraph “1.3.2 Interests and views of stakeholders”.

Ongoing, transparent dialogue with employees is managed through dedicated tools, including email, internal communication platforms and circulars, which are regularly used to provide updates and insights on issues of collective interest, in line with employees’ information needs.

The added value of the integrated use of innovative technological systems to enable and facilitate interaction between people is confirmed. The online communities tool is increasingly being used by the various Services of the Parent Company to engage with those operating at the Banks who deal with certain issues. The communities are above all spaces for discussion and growth, but also represent smart and efficient tools for conveying practices and behaviours that support the sharing of Group-wide policies and regulations.

In the process of engagement with its own workforce, the Group monitors the perspectives of particularly vulnerable workers, such as women and those with disabilities.

Programmes and initiatives aimed at development and training have been launched, with a particular focus on female empowerment and the promotion of female leadership, through courses that alternate training sessions with individual coaching sessions, in order to encourage listening, awareness and the activation of strategic levers for the optimisation of personal and professional development.

The consulting and support activities provided by the Parent Company consist of dedicated assistance throughout the process of obtaining UNI/PdR 125:2022 gender equality certification, through the mapping of needs, timely intervention during the certification process and support in defining and implementing training plans aimed at the female population.

Internal communication platforms also present projects and initiatives dedicated to people, with a focus on sustainability and DE&I issues. In 2024, a section dedicated to ESG issues was created and training activities organised.

Alongside this, the relationship with trade-union representatives is founded on open and constructive dialogue. Trade-union representatives participate in industry assemblies, conferences and meetings with the aim of protecting and improving workers’ rights, with a focus on the specific characteristics of the banking sector.

Responsibility for ensuring effective employee engagement and monitoring of specific human resources requests and needs lies with the Parent Company’s Human Resources Department and, where present, the Human Resources Offices of Affiliated Banks and Subsidiaries.

Worker engagement at Allitude

Allitude employee engagement relies primarily on dialogue with **company trade-union representatives**, especially in the case of organisational, technological or operational changes that may have a direct impact on the workforce. Depending on the scope of changes introduced, the company utilises various consultation methods to ensure transparent and constructive dialogue:

- in the case of **small or moderate changes**, such as procedural updates or minor organisational adjustments, the company informs trade union representatives;
- in the case of **significant or material changes**, such as large-scale technological innovations or substantial changes in work processes, dedicated live or remote meetings are organised with trade-union representatives and/or directly with workers, to ensure more thorough discussion.

These meetings do not follow a predefined schedule, but are convened according to the importance and urgency of the topics discussed.

Operational responsibility for employee engagement lies with the Chief Executive Officer of Allitude, supported by the Personnel Management Department. The latter coordinates and manages labour relations, monitoring the effectiveness of dialogue through analysis of participation in the meetings organised by trade-union representatives.

In 2024, as in the previous year, the company conducted a new edition of its People Survey. This internal survey gathers employee feedback, monitoring the company climate and identifying possible areas for improvement. Surveys are anonymous and voluntary. The results are an essential tool for promoting organisational well-being and identifying any signs of dissatisfaction at an early stage.

3.1.2.3 Impacts and reporting channels

[ESRS S1 S1-3]

The Cassa Centrale Group guarantees transparency and respect for workers' fundamental rights, ensuring that all employees are informed and trained on company policies and documents protecting organisational well-being. Group Policies are public and accessible. Specific training programmes are planned to promote an inclusive, fair and safe working environment. Freedom of expression and the possibility for employees to report any misconduct or violations of the Code of Ethics, company policies or human rights, with particular attention to diversity, equal opportunities and occupational health and safety, is also guaranteed.

To facilitate whistleblowing, the Group has set up several dedicated channels, accessible to both employees and external stakeholders, in line with the Group's internal whistleblowing regulations. This makes it possible to report breaches in a secure and confidential manner, guaranteeing the reporting party is protected. The Whistleblowing system is integrated with the regulatory framework of reference, including the Code of Ethics, the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 and Diversity & Inclusion policies. For further details on the Whistleblowing channel made available by the Group and on complaint-handling mechanisms, please refer to the section "4. Information on Governance", chapter "4.1 Business Conduct", paragraph "4.1.2.2 Corporate culture and business conduct policies". In addition to the Whistleblowing channel, employees can contact Workers' Safety Representatives (*RLS*) directly. These representatives offer an additional platform for listening and support, maintaining constant dialogue with the Employer through the Prevention and Protection Service Manager (*RSPP*). The Cassa Centrale Group actively encourages the use of these channels to foster a working environment based on transparency, accountability and respect for ethical values, while ensuring the protection and respect of all those involved. Currently, there is no structured procedure to monitor the effectiveness of reporting channels.

3.1.3 Workforce composition and attraction of group personnel

Breakdown of employees and non-employees

[ESRS S1 S1-6]

[ESRS S1 S1-7]

[ESRS 2 MDR-A]

[ESRS 2 MDR-M]

The total workforce of the Cassa Centrale Group as at 31 December 2024 stood at 12,284 employees, compared to 12,016 as at 31 December 2023 (+2.2%).

Total employees by number of persons and breakdown by gender and country

NUMBER OF EMPLOYEES BY COUNTRY	31/12/2024	%
Italy	12,266	99.9%
Luxembourg	18	0.1%
Total	12,284	100.0%

NUMBER OF EMPLOYEES BY GENDER	31/12/2024	%
Men	6,882	56.0%
Women	5,402	44.0%
Other	-	-
Not specified	-	-
Total	12,284	100.0%

Below are figures for the workforce, detailing the number of employees by region, gender and hours (full-time or part-time).

Full-time and part-time employees and breakdown by gender and region

NUMBER OF EMPLOYEES BY WORKING HOURS, GENDER AND REGION	31/12/2024												
	Full-Time				Part-time				Full-Time	Part-time	Total	Full-Time %	% Part-time
	Men	Women	Other	Not specified	Men	Women	Other	Not specified	Total	Total			
Trentino-Alto Adige	1,576	898	-	-	35	424	-	-	2,474	459	2,933	84.4%	15.6%
North East	1,446	1,058	-	-	25	221	-	-	2,504	246	2,750	91.1%	8.9%
North West	1,589	926	-	-	14	202	-	-	2,515	216	2,731	92.1%	7.9%
Central	1,440	980	-	-	16	183	-	-	2,420	199	2,619	92.4%	7.6%
South	726	486	-	-	6	15	-	-	1,212	21	1,233	98.3%	1.7%
Foreign	9	8	-	-	-	1	-	-	17	1	18	94.4%	5.6%
Total	6,786	4,356	-	-	96	1,046	-	-	11,142	1,142	12,284	90.7%	9.3%

For details on cross-referenced data for number of employees by gender and country and the most representative figure in the financial statements, please refer to Chapter 7. Human Resources in the Report on Consolidated Operations.

The Cassa Centrale Group favours an organisation of work that is attentive to the needs of its employees. Part-time work and possible return to full-time employment are managed taking into account employees' requests, while temporary contracts are established with a maximum duration of 12 months, in order to allow a gradual and clearly defined on-boarding period for junior and untrained employees, supporting them on the path towards possible permanent employment. In addition, wherever

possible, candidates' internship requests are aligned with the organisational needs of Management, offering an initial approach to the world of work in a structured context.

The Group's commitment to stable and lasting employment relationships is confirmed by the percentage of employees on permanent contracts, amounting to 97% of the total, in line with previous years. The distribution of employees by region, by gender and by contract type (permanent, temporary or non-guaranteed hours) is shown below.

Total employees by number of persons and gender breakdown for permanent, temporary and non-guaranteed hours contract

EMPLOYEES BY TYPE OF CONTRACT AND GENDER	31/12/2024								
	Men	Women	Other	Not specified	Total	% Men	% Women	% Other	% Not specified
Employees on permanent contract	6,706	5,208	-	-	11,914	56.3%	43.7%	-	-
Trentino-Alto Adige	1,553	1,255	-	-	2,808	55.3%	44.7%	-	-
North East	1,438	1,243	-	-	2,681	53.6%	46.4%	-	-
North West	1,562	1,091	-	-	2,653	58.9%	41.1%	-	-
Central	1,429	1,125	-	-	2,554	56.0%	44.0%	-	-
South	715	485	-	-	1,200	59.6%	40.4%	-	-
Foreign	9	9	-	-	18	50.0%	50.0%	-	-
Employees on temporary contract	176	194	-	-	370	47.6%	52.4%	-	-
Trentino-Alto Adige	58	67	-	-	125	46.4%	53.6%	-	-
North East	33	36	-	-	69	47.8%	52.2%	-	-
North West	41	37	-	-	78	52.6%	47.4%	-	-
Central	27	38	-	-	65	41.5%	58.5%	-	-
South	17	16	-	-	33	51.5%	48.5%	-	-
Foreign	-	-	-	-	-	-	-	-	-
Employees on non-guaranteed hours contract	-	-	-	-	-	-	-	-	-
Trentino-Alto Adige	-	-	-	-	-	-	-	-	-
North East	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-
Central	-	-	-	-	-	-	-	-	-
South	-	-	-	-	-	-	-	-	-
Foreign	-	-	-	-	-	-	-	-	-
Total	6,882	5,402	-	-	12,284	56.0%	44.0%	-	-
% of total employees on permanent contract	97.4%	96.4%			97.0%				

Metrics

Number of employees: the number of persons employed as at 31 December of the reporting period. The following types of employment are included: permanent, temporary and non-guaranteed hours contracts. Employees are broken down by geographical area, region and gender. Workers whose employment ends on 31 December are considered within the workforce on that date.

Gender distribution of employees: the total number of employees is divided amongst male, female, other and not specified, and the respective ratios are also shown.

Distribution of employees by country: the total number of employees is broken down by the Group's countries of operation: Italy and Luxembourg.

Number of workers who are not employees in the undertaking's own workforce

AVERAGE NUMBER OF WORKERS WHO ARE NOT EMPLOYEES (INDIVIDUALS) IN OWN WORKFORCE		31/12/2024
Temporary workers		133.0
Extra-curricular interns (paid)		46.3
Freelance consultants or agents with VAT number		66.1
Total		245.4

Metrics

Number of workers who are not employees: the figures for workers who are not employees are to be understood as average values recorded during the year, averaging the number of persons in the workforce at the end of each month. Temporary workers who are not employees, extracurricular interns and freelance consultants or agents with VAT numbers (who work exclusively or predominantly or otherwise on a permanent basis with the Group) are considered.

Attraction and retention of Group personnel

In an increasingly competitive and complex labour market, the Cassa Centrale Group considers personnel search and recruitment a key factor in supporting continuous growth and building an organisation capable of responding promptly to new challenges.

This process integrates Employer Branding initiatives with efforts to attract skilled and high-potential personnel and actions aimed at reinforcing personnel loyalty and re-engagement, effectively meeting the current needs of the Group and anticipating future challenges and complexity.

On this basis, from 2023, and continuing in 2024, a review of the organisational structure was launched, previously dedicated exclusively to the selection of personnel, to reinforce the connection between the recruiting process and personnel management. The aim is to optimise management of the entire life cycle of company personnel, generating greater value for the Group.

In selecting and managing its human resources, the Group adopts criteria of merit, skills and appraisal of individual capacity and potential. In line with the Code of Ethics, candidacy and personnel selection are performed on the basis of corporate needs and the professional profiles sought, eliminating the risk of discrimination in the recruitment, management and remuneration of personnel.

The system is based on clear methodologies (assessment, structured interviews, psychological aptitude tests), scientific tools and customised phases. It begins with assessment of CVs, continues with detailed examination of personal and aptitude characteristics and ensures that assessment is as objective and fair as possible. A review was launched of Employer Branding processes, with the aim of strengthening partnerships with universities.

With this in mind, relations with the University of Trento and Job Guidance have been intensified. These partnerships offer important opportunities for discussion and help to improve selection processes and strengthen the Group's brand. The constant commitment to attracting young new talent was implemented through the organisation of two fundamental events for the creation of a significant and innovative network: Career Fair and Open Day.

In the context of the selection process, the Group also values local ties, favouring the recruitment of local resources to support the economic development of communities in which it operates. Hiring staff rooted in the local area also promotes greater proximity to members and customers, thus improving service quality and responsiveness to local needs.

Alongside this, an onboarding programme was introduced designed to provide new colleagues with the tools needed to better understand the corporate context and internal procedures and processes. Having completed this phase, one-to-one meetings were planned aimed at gathering experiences and feedback from the initial six months with the Group.

Recruiting activity continues to be conducted with the support of the SAP SuccessFactors platform, LinkedIn Recruiter and, where necessary, head-hunting agencies.

Of new recruits, 50.1% are in the under-30 age range, 42.9% are in the middle range (30-50) and 7.1% are over 50.

The Group pays particular attention to dialogue with employees, in order to support them in their professional development and act swiftly to prevent any risk of them leaving the company. In addition, resignations are monitored through interviews with managers in order to understand the reasons and, if necessary, implement corrective actions at organisational or individual level.

2024 also saw the departure of 634 members of personnel, 44.8% through voluntary resignation, 31.2% through retirement and the remaining 24.0% through dismissal or for other reasons. Of the personnel leaving the Group, 20.8% were in the under-30 age range and 31.2% in the middle range (30-50); the remaining 47.9% were over 50 and include retirements or early retirements in agreement with the company.

Total number of employees who left the company during reporting period and employee turnover rate during the same period

EMPLOYEES HIRED AND DEPARTURES BY GENDER	31/12/2024				Total
	Men	Women	Other	Not specified	
Employees hired	474	429	-	-	903
Employee departures	402	232	-	-	634
Net balance	72	197	-	-	269

EMPLOYEES HIRED AND DEPARTURES BY AGE RANGE	31/12/2024			
	Under 30 years	30-50 years	Over 50 years	Total
Employees hired	452	387	64	903
Employee departures	132	198	304	634
Net balance	320	189	(240)	269

TURNOVER RATE BY GENDER	31/12/2024				
	Men	Women	Other	Not specified	Total
Employees hired	474	429	-	-	903
Total employees at year-end	6,882	5,402	-	-	12,284
Incoming turnover rate	6.9%	7.9%	-	-	7.4%
Employee departures	402	232	-	-	634
Total employees at year-end	6,882	5,402	-	-	12,284
Outgoing turnover rate	5.8%	4.3%	-	-	5.2%

TURNOVER RATE BY AGE GROUP	31/12/2024			
	Under 30 years	30-50 years	Over 50 years	Total
Employees hired	452	387	64	903
Total employees at year-end	1,196	6,836	4,252	12,284
Incoming turnover rate	37.8%	5.7%	1.5%	7.4%
Employee departures	132	198	304	634
Total employees at year-end	1,196	6,836	4,252	12,284
Outgoing turnover rate	11.0%	2.9%	7.1%	5.2%

CAUSES OF TERMINATION OF EMPLOYMENT	31/12/2024				
	Men	Women	Other	Not specified	Total
Volunteer	168	116	-	-	284
Dismissal	9	3	-	-	12
Retirement	144	54	-	-	198
Death in service	-	-	-	-	-
Other	81	59	-	-	140
Total	402	232	-	-	634

Metrics

Employees who left the Group: total departures include both voluntary and involuntary departures. The departure quota for the year is calculated by dividing the number of voluntary and involuntary departures, respectively, by the total number of staff in the workforce as at 31 December 2024.

Turnover of incoming employees: the incoming turnover rate is calculated as the ratio of employees who were hired by the Group during the year to the total workforce as at 31 December 2024, expressed as a percentage.

Turnover of outgoing employees: the outgoing turnover rate is calculated as the ratio of employees who left the Group during the year to the total workforce as at 31 December 2024, expressed as a percentage.

Causes of termination of employment: the "Other" category includes employees who did not successfully complete the probationary period, cases of non-renewal of temporary contracts and deaths not in service. There were no cases of "Death in service", i.e. during work.

Personnel attraction and development at Allitude

Allitude's interest in and commitment to attracting new resources, both young and highly skilled, and succeeding in retaining and increasing the loyalty of existing employees, continued in 2024.

In May 2024 Allitude participated in the Career Day at the University of Trento to reinforce its presence in the territory, especially in Trentino where approximately 50% of the company's population works, and to attract new resources. Allitude's onboarding process has also been updated. Newly hired employees immediately begin a year-long induction process, during which on-the-job training is alternated with discussions with Human Resources to monitor their path within the company.

In order to encourage generational turnover, the Solidarity Fund, activated in 2022, brought with it numerous redundancies that took effect in 2023 and in 2024, along with new hires and early retirements, from which interviews and surveys were taken to gather qualitative and quantitative information on the (outgoing) employee's career path and life within the organisation. In addition to young staff, the female recruitment rate has also increased in recent years, from 33% in 2022 to 43% in 2023 and around 50% in 2024.

The "All4ideas" project continued, a programme designed to foster, develop and support internal employee projects, contributing to the development of internal skills and the growth and identification of talent.

Diversity, inclusion and gender equality

[ESRS S1 S1-4]

[ESRS S1 S1-9]

[ESRS 2 MDR-A]

[ESRS 2 MDR-M]

Parent Company's UNI PDR 125:2022 certification for gender equality

Cassa Centrale Banca sets itself up as a model for its Subsidiaries and Affiliated Banks, committing itself to promoting its best practices within the Group through concrete and continuous training and awareness actions on gender equality and female empowerment at every level of the Organisation. In this regard, the Group relied on its partnership with Valore D, a historic association of Italian companies working to promote gender balance and an inclusive culture in organisations. Together with Valore D, several training schemes were designed for top management and Group employees alike, also to support the commitments set out for UNI/PdR 125:2022 Gender Equality Certification.

The Parent Company, together with the Gender Equality Steering Committee, has enshrined its commitments around diversity and inclusion, through the drafting of a DE&I strategic plan. In 2024, the Parent Company gained Gender Equality Certification – UNI/PdR 125:2022. By gaining this certification, Cassa Centrale Banca demonstrated its commitment to the promotion of inclusive working environments, capable of enhancing the unique nature of each individual, strengthening mechanisms to promote equal opportunities throughout the Group.

Certification has enabled the Parent Company to equip itself with a gender equality management system capable of measuring and enhancing the company's gender equality levels. The guided Certification process had three phases:

- planning, creation and implementation of a gender-equality management system in accordance with UNI/PdR 125:2022;
- preparatory activity for certification;
- assistance during auditing by the Certification Body.

Considering that the Reference Practices of UNI/PdR 125:2022 require precise measurement of key performance indicators for organisations and formalisation of gender-equality policies, planning, implementation, monitoring and management in line with a specific systematic methodology, the process is structured according to the methods indicated below.

- **development of the system:** the process included the identification and preparation of KPIs, definition and appointment of the Steering Committee, assignment of roles and responsibilities and drafting of the Management System Manual. The Manual defines the scope of application, internal and external communication methods, goals and review of Management, in addition to gender-equality policies. Activities also include implementation of the strategic plan, creation of the necessary procedures, definition of communication documents and awareness-raising amongst all employees through a specific gender equality training plan. Finally, preparation and implementation of an internal survey with questionnaires and in-depth analysis is planned;
- **preparatory activity for certification:** performance of internal audits in compliance with PdR 125, analysis and resolution of any critical issues identified during audits, support for review and assistance in the management of relations with the Certification Body;
- **certification assistance,** including support during audits and management of actions to resolve issues identified during auditing;
- **project planning, coordination and monitoring.**

UNI/PdR 125:2022 Gender Equality Certification with the Certifying Body Bureau Veritas, and the establishment of a Steering Committee and approval of specific policies on diversity, equity and inclusion topics, including the Policy in support of “active parenthood” and the “Diversity and inclusion policy”, demonstrate the high level of attention paid to gender equality (and beyond), with a sincere focus on all aspects demanding ever greater awareness to guarantee diversity and inclusion.

As part of the certification process, awareness programmes were set up to educate employees on the importance of diversity, inclusion and gender equality through regular training on internal regulations. An information and sharing channel was established for all employees on Diversity, Equity and Inclusion Policies. In the second half of the year, various courses were introduced in this regard, including “Women’s Empowerment: promoting female leadership” aimed at Affiliated Banks, and an edition dedicated to Cassa Centrale Banca. In addition, careful work was carried out regarding Unconscious Bias, with courses for HR Recruiters and line managers of Cassa Centrale Banca and of the Affiliated Banks, with an edition reserved specifically for Allitude. All of these initiatives were aimed at supporting and promoting the development of female leadership, promoting greater awareness on correct behaviour in this regard.

In November 2024, Cassa Centrale Banks and Allitude held the “Femminile Plurale” event, organised with the Teatro delle Quisquillie theatre in Trento, presenting four plays prompting reflection on the theme of gender equality. These performances were open to the public, with the aim of raising awareness across the local area of the importance of recognising and understanding gender stereotypes and bias.

The Parent Company has issued the “**Policy in Support of Active Parenthood**” to help employees with dependent children to balance their private and working lives and achieve personal and professional goals. In this context, Cassa Centrale Banca launched the “We Are Back Programme”, featuring group workshops and individual coaching sessions, aimed at facilitating the return of new parents to work.

Allitude and the Gender Equality Certification

Allitude also embarked on the process to obtain UNI PdR 125:2022 Gender Equality Certification, aligning itself with the ESG path already initiated by the Cassa Centrale Group. Certification was gained in February 2025.

The Group actively supports the companies within its consolidation scope and Affiliated Banks in achieving gender equality certification, providing its expertise and promoting ongoing dialogue. In this regard, two communications were sent to Affiliated Banks during the year to promote the support and consultancy service dedicated to Uni/PdR 125 certification. Moreover, various essential training initiatives were defined, planned and provided to combat gender inequality and unconscious bias, promoting an inclusive and merit-based organisational culture. Investment in this training aims to build greater awareness and improve decision-making processes, with tangible benefits for individual and collective performance and for the corporate image.

The Group is committed to sharing best practices, organising concrete action and training and awareness initiatives on gender equality and women’s empowerment, across all levels of the organisation.

The Group’s commitment to gender equality and inclusion is also reflected in the composition of its workforce and corporate leadership. Monitoring and analysing the gender distribution among members of top management and the breakdown of employees by age group makes it possible to assess the effectiveness of policies and identify possible areas for improvement.

Data as at 31 December 2024 on the composition of the Group with reference to diversity metrics is presented below.

Gender distribution by number and percentage at top-management level; distribution by professional category of employees

TOP MANAGEMENT BY GENDER	2024	
	no.	%
Men	13	76.5%
Women	4	23.5%
Other	-	-
Not specified	-	-
Total	17	100.0%

EMPLOYEES BY GENDER AND PROFESSIONAL CATEGORY	31/12/2024									
	Men	Women	Other	Not specified	Total	% Men	% Women	% Other	% Not specified	% Total
Executives	172	21	-	-	193	89.1%	10.9%	-	-	1.6%
Middle managers	2,601	977	-	-	3,578	72.7%	27.3%	-	-	29.1%
Office staff	4,109	4,404	-	-	8,513	48.3%	51.7%	-	-	69.3%
Total	6,882	5,402	-	-	12,284	56.0%	44.0%	-	-	100.0%

The proportion of female employees increased by 3.8% compared to the previous year's total female employees. Specifically, there is an increase of 40% among female executives, 12% among female middle managers and 2% among female office staff compared to 2023.

The average age of the Group's workforce is in the 30-50 bracket, with 55.7% of employees falling into this category, although this percentage is down on the previous year.

Distribution of employees by age group

EMPLOYEES BY AGE GROUP AND CATEGORY	31/12/2024							
	Executives	Middle managers	Office staff	Total	% Executives	Middle managers %	% Office staff	% Total
Under 30 years	-	1	1,195	1,196	-	0.0%	14.0%	9.7%
Between 30 and 50 years	45	1,681	5,110	6,836	23.3%	47.0%	60.0%	55.7%
Beyond 50 years	148	1,896	2,208	4,252	76.7%	53.0%	25.9%	34.6%
Total	193	3,578	8,513	12,284	1.6%	29.1%	69.3%	100.0%

Metrics

The number of personnel in active service as at 31 December of the reporting period is considered.

Top management by gender: the definition of Cassa Centrale Group Top Management includes the Chief Executive Officer/General Manager, the Deputy General Manager and the top-level managers (Chief Officers) of the Parent Company.

Persons with disabilities

[ESRS S1 S1-12]
[ESRS 2 MDR-M]

The Cassa Centrale Group’s commitment to people also involves inclusion in employment of people with disabilities, in compliance with current legislation

The Group is committed to measures that foster an inclusive and accessible work environment, recognising the value of diversity and integration.

Persons with disabilities represent 5.5% of the total workforce as at 31 December 2024.

Percentage of persons with disabilities among employees

NUMBER OF EMPLOYEES WITH DISABILITIES BY GENDER	31/12/2024	%
Men	365	54.0%
Women	311	46.0%
Other	-	-
Not specified	-	-
Total	676	100.0%

Metrics

Number of persons with disabilities: the number of persons with disabilities, as defined by ESRS, at the end of the reporting period.

Pay gap

[ESRS S1 S1-16]
[ESRS 2 MDR-M]

The Group is committed to ensuring gender-neutral remuneration and guaranteeing that all personnel receive equal pay for equal work. As part of the periodic review of its Policies, the Parent Company’s Board of Directors, supported by the Remuneration Committee and consulting with the Risk and Sustainability Committee, analyses the neutrality of the remuneration policy and evaluates the Gender Pay Gap and its evolution over time at both Group and Parent Company level, documenting the reasons for the gap, where relevant, and taking appropriate corrective measures. This activity is also carried out by the Boards of Directors of Subsidiaries and Affiliated Banks.

The table below shows the gender pay gap calculated as the difference between overall average pay levels paid to female and male workers, expressed as a percentage of the overall average pay level of male workers.

The pay gap calculated refers primarily to the total of all personnel within the scope of consolidation. This figure does not reflect the principle of “equal pay for equal work” as expressed by current regulatory developments, as it provides an average comparison of employees with different contractual statuses and roles within the organisation. For this reason, the decision was made to supplement this data with comparisons of overall average wages by gender for the various professional categories, which currently correspond approximately to the above-mentioned principle.

Gender pay gap: total and by professional category

GENDER PAY GAP (%)		31/12/2024
Gender pay gap		17.5%

GENDER PAY GAP BY PROFESSIONAL CATEGORY (%)		2024
Executives		6.5%
Middle managers - Level 4		7.3%
Middle managers - Level 3		2.1%
Middle managers - Level 2		2.6%
Middle managers - Level 1		0.8%
3 Professional area		3.6%
2 Professional area		4.1%
1 Professional area		-3.6%

Below is a presentation of the total remuneration rate, i.e. the annual total remuneration ratio of the highest paid person to the median annual total remuneration for all employees (excluding the highest paid individual).

Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest paid individual)

TOTAL REMUNERATION RATE		31/12/2024
Total remuneration rate		17.1

Metrics

Gender pay gap: the average gender pay gap calculated as the difference between the gross hourly wages (including variable components) of women and men. The calculation subtracts the average gross hourly wage of female employees from that of male employees. This is then divided by the average gross hourly wage of men and then multiplied by 100. The pay gap was calculated and broken down by professional category.

Remuneration ratio: the total remuneration ratio is determined by dividing the annual total remuneration of the highest paid individual, i.e. the Parent Company's Chief Executive Officer, by the median remuneration of all employees, excluding the highest paid individual. Full-time equivalent rates of pay were used for each part-time employee. The types of remuneration included are: fixed remuneration, any emoluments, benefits, performance-based variable remuneration and other forms of variable remuneration (e.g. non-competition agreement, retention bonus, one-off bonuses).

The scope of reporting includes all Group Banks and Subsidiaries based in Italy.

Safeguarding human rights

[ESRS S1 S1-17]
[ESRS 2 MDR-M]

The safeguarding of human rights is a priority for the Cassa Centrale Group, guaranteed by the Human Rights Policy, as well as the Group’s Charter of Values and Code of Ethics. These instruments strictly regulate business practices, ensuring alignment with international standards and UN and OECD guidelines on human rights.

The Group is also committed to monitoring and preventing serious human rights incidents, identifying potential issues at an early stage and taking corrective action where necessary. Regarding cases of alleged discrimination, it should be noted that:

- one case, an anonymous report, was investigated in accordance with the internal procedures adopted by the Bank and found to be unfounded;
- in a second case, internal investigations confirmed the veracity of the claim, and the person involved was pulled up and immediately transferred due to environmental incompatibility. Thanks to the measures adopted by the Bank, there were no further incidents of discrimination.

The complaint filed is a complaint pursuant to Article 414 of the Code of Civil Procedure by an employee of an Affiliated Bank claiming compensation, the risk associated with which, as at the date of preparation of this Statement, cannot be quantified. The Banks, however, analysed the reference context, gathered the necessary information and managed the critical issue according to the internal procedures and information flows, having concluded that it could exclude any unlawful conduct and/or conduct detrimental to the rights of the employee in question.

Total number of incidents of discrimination, including harassment, reported during the reporting period and number of complaints made through the channels set up for the company’s own workers to raise concerns (including grievance-handling mechanisms) and, where appropriate, national channels for OECD multinationals

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS	UoM	2024
Total number of incidents of discrimination, including harassment	no.	2
Number of complaints submitted through the channels set up for the company’s own workers to raise concerns (including grievance-handling mechanisms)		1
Amount of fines, penalties and damages resulting from discrimination incidents, including harassment and complaints filed	EUR	-

INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS	UoM	2024
Number of serious human rights problems and incidents related to own workforce	no.	-
Number of serious human rights problems and incidents related to own workforce that are cases of non-compliance with the UN Guiding Principles and the OECD Guidelines for Multinational Enterprises		-
Amount of fines, penalties and compensation for serious human rights problems and incidents related to own workforce	EUR	-

3.1.4 Training and skills development

[ESRS S1 S1-4]

[ESRS S1 S1-13]

[ESRS 2 MDR-A]

[ESRS 2 MDR-M]

Adequate training and development of employees is essential to ensure that all people are able to perform their tasks effectively and address customer needs competently. To ensure access to training and the development of expertise, the Group:

- plans activities for the entire training cycle;
- monitors the context and regulatory developments;
- gathers information on training needs;
- designs and plans customised and standard training courses;
- manages training courses;
- monitors training;
- analyses results.

By listening to the needs of Affiliated Banks and working closely with internal departments and Group strategies, the Cassa Centrale Group outlines and delivers training proposals that respond to regulatory requirements and support the development of soft skills required by employees to perform their duties.

The Group's Banking Care Academy is responsible for the design, promotion and implementation of training courses for the Cassa Centrale Group, with training programmes reaching all employees through the SAP SuccessFactors LMS Learning Management System platform.

The Group has expanded its training offerings by providing both lectures and meetings in person and via the e-learning platform. The Group's e-learning offerings are composed of multimedia content, monitoring systems and control of users during online certification examinations to verify skills for professional training pathways (proctoring model). The platform also ensures interaction and use of gamification and game-design techniques in learning contexts. The training offer evolves during the year to adapt to regulatory updates and the Regulations and Policies issued by the Parent Company, also based on input from Parent Company Departments and Affiliated Banks.

To ensure the effectiveness of training, each online course includes a final learning test. Much of the classroom training, on the other hand, and particularly high-level training courses, involves both intermediate and final examinations.

Training and development initiatives include listening and follow-up with a dedicated survey, to measure the level of satisfaction and/or collect feedback.

An overall report on all training provided by the Parent Company, extracted from the Learning Management System, is shared by the first half of January of the following year. This report covers training for employees of the Parent Company, Affiliated Banks and Group Companies, as well as the Corporate Executives of these companies.

The average number of training hours per employee, by gender, is shown below.

Average number of training hours per employee and by gender

AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE, BY GENDER	31/12/2024				
	Men	Women	Other	Not specified	Total
Number of training hours	404,172	311,697	-	-	715,869
Total employees	6,882	5,402	-	-	12,284
Average number of training hours	58.7	57.7	-	-	58.3

Training initiatives focused on technical and specialised courses (74.3%), followed by training on ESG topics (10.5%) and management training (6.2%). Health and safety courses (2.8%) and onboarding or induction training (1.7%) were held on a residual basis, while the category “Other” (4.5%) includes courses as wide ranging as soft skills and language courses.

Number of training hours per employee by gender and type

NUMBER OF TRAINING HOURS PER EMPLOYEE BY GENDER AND TYPE	31/12/2024				
	Men	Women	Other	Not specified	Total
Managerial	27,071	17,563	-	-	44,635
Technical-specialised	300,753	231,314	-	-	532,067
Onboarding or induction training	5,228	6,811	-	-	12,039
Health and safety	12,426	7,451	-	-	19,877
ESG topics	41,720	33,274	-	-	74,994
Other	16,973	15,283	-	-	32,256
Total	404,172	311,697	-	-	715,869

Metrics

This includes hours of training provided to all employees during the year, including those referring to employees who have left the Group.

Specifically, the training provided regarded the following areas:

HIGH-LEVEL TRAINING

2024 also saw the launch of “HR BUSINESS LEADERS. Guiding organisational changes and entrenching them in business strategy”, an advanced programme created in partnership with POLIMI – Graduate School of Management, with the aim of integrating banking skills and the world of HR.

The “Fit4Future: building the future of the Group” training programme was also inaugurated, aimed at future managers of the Group. Learning activity for this course will continue in 2025 and will be provided in collaboration with the Politecnico di Milano University.

The consolidated “Executive in Banking Management” courses with SDA Bocconi aimed at the Group’s Top Management also continued. Given the success of the first two editions, the Group also launched the third edition of the course “Cassa Centrale Group Middle Managers: Leadership and team management” was launched. This provided the opportunity to develop the necessary strategic and management skills required to face current and future challenges, cementing the central role of Middle Managers as a point of reference in leadership and effective management of teams within the Banks and the Group.

The first edition of the advanced Wealth Management course in collaboration with SDA Bocconi university also began, providing essential tools and skills for effective interaction with companies, particularly family-run businesses.

During 2024, biweekly meetings with the Corporate Representatives continued, with seminars envisaged by their dedicated training plan and designed for their ongoing development.

The “CCB in Training – Learning Programme” also continued. This project involves topic-specific seminars and courses for managers at Cassa Centrale.

SUSTAINABILITY

Activities for the entire Group to raise awareness and improve understanding of ESG issues also continue. Workshops, seminars, and communities of practice for experts aim to involve bank and company employees at various levels to encourage them to take responsibility for Environmental, Social and Governance impacts. The Group’s Corporate Academy devotes an entire section to the topic of Sustainability, with various specific training activities aimed at personnel of the Affiliated Banks, as well as the Boards of Directors and corporate officers of the Affiliated Banks. A strong focus on ESG is ensured and, thanks to cooperation with Abi Formazione and close collaboration with the External Relations and Sustainability Service, the “ESG in Action Masterclass” and “New ESG Representatives” courses were created to support ESG Experts in the challenges posed by the Strategic Plan. Both of these activities were designed to meet the need to provide knowledge and expertise to oversee the integration of ESG factors and engage expertly in relations, including in relation to requests from the ECB.

SOFT SKILLS

In the second half of 2024, various training initiatives were run aimed at strengthening skills, nurturing innovation and improving colleague performance.

The Group recognises the importance of incorporating specific technical skills (hard skills) with managerial and relational skills ("soft skills"), aimed at the professional and personal development of employees.

A new project was introduced called "NEW CAMERA. New outlooks for new skills" programme created in partnership with Talent Garden, the largest European operator of Digital Education, and the largest community in Europe of tech ecosystem innovators.

In the second half of 2024, a strategic partnership was consolidated with POLIMI GSOM. This collaboration represents a crucial opportunity for the Group, enabling access to observatories, research projects and high-level advisory services, essential sources of learning excellence that facilitate quality growth. The partnership also offers privileged access to advanced expertise in the field of digital transformation, providing a detailed perspective of emerging issues and trends.

The School of Management Faculty of the Politecnico di Milano University adds further value. In recent years, it has introduced significant innovations to products, teaching methods and approaches to the provision of services. Through a process of constant learning, the Faculty has established specific expertise including advanced teaching capability in the digital and hybrid fields, growing international exposure and continuous investment in research. This approach effectively balances research with teaching activity, ensuring cutting-edge materials and learning of the highest quality.

The partnership with CeTif, the Research Centre for Technology, Innovation and Financial Services of the Sacred Heart Catholic University, continues to bring expertise to the Group's Banking Care Academy, particularly in digital banking, digital HR, digital compliance and cyber security.

DIVERSITY AND INCLUSION

Also in light of the Sustainable Development Goals of the 2030 Agenda, the Cassa Centrale Group confirmed its commitment to promote an inclusive organisational culture that values diversity in its 2024-2027 Sustainability Plan, building a healthy work environment that is free of discrimination. To this end, several training activities were organised involving individuals from various levels across the company population. Training ranged from topics such as women's empowerment issues, with several editions of a high-level course which many of the Group's employees were involved in, to topics tied to governance and the need to balance the presence and commitment of women in order to reduce the gender gap currently found in all sectors, including cooperative credit. In particular, the focus of training was on inclusive language through seminars and workshops, which led to the promotion of a manifesto, which resulted in practical guidelines for the dissemination of virtuous conduct in everyday life within the Affiliated Banks. A major Digital Role Play project was launched which uses artificial intelligence to help people to better navigate critical conversations on Diversity & Inclusion. Finally, the Women's Empowerment course for the Group's Banks and Companies started, with a strong focus on female leadership and managerial issues.

TECHNICAL TRAINING: LOANS AND FINANCE AREA

For inter-company training on Credit, in 2024, in addition to the ongoing collaborations with several companies already present in previous years, new training proposals were added with new collaborations, such as the development of the PEF project, with training for Buddy Trainers and the first webinars to prepare for the upcoming releases to the Affiliated Banks. In addition, following on from what was provided in the first quarter ("Basic" and "Intermediate" courses), three "Advanced" courses were organised, focused on financial-report analysis, financial planning and analysis of case studies, and ESG-Loans courses on "Sustainable development and new regulatory scenarios" were repeated.

In the finance area, during the second half of 2024, ESMA training courses began on investments and basic finance, offered to Affiliated Banks with high or growing numbers of requests. October saw conclusion of the "Financial and Insurance Advice - Advanced Executive Programme" course, involving 17 days on area-specific topics and a final exam passed by all participants.

In addition to the various multi-company training proposals, several in-house courses were activated, in some cases also managing the Fon.Coop. funding.

In close collaboration with the AML Function, AML initiatives were launched, planned for 2024 in line with the provisions of the training plan. The valuable and mutual collaboration with ABIFormazione continues, enhanced by important and complex projects for strategic ESG training for the Group and new professional courses on Anti-Money Laundering.

In the bancassurance sphere, too, various training initiatives were launched. A series of sessions were organised to support the professional development of colleagues and update the knowledge of personnel in the insurance sector with regard to new regulations, tools and best practices.

Insurance financial consulting

For those working in the Group and providing financial and insurance advisory services, the Group provides specialised training as part of periodic meetings held with the involvement of participating Affiliated Banks. These training sessions, enhanced with input from Bank specialists, aim to update and further technical and regulatory skills, ensuring an increasingly qualified and market-oriented consultancy service.

The focus on training at Prestipay

For Prestipay, employee training plays a key role in the development of its business. In 2024, Prestipay joined the free online training course of the Cassa Centrale Group called "Get on board", dedicated to new employees, while annually preparing the employee training plan approved by the Board of Directors.

In order to enhance the potential of its employees, the Company also continued its internal management training initiative called "Prestipay Academy". As part of this training, specific courses were held to enhance the soft skills of the Company's employees. Employees were also involved in team building initiatives.

Finally, an online course dedicated to the distribution of the Company's commercial partners' salary and pension backed loan product was prepared and made available to the Group's Banks, as well as all Company regulations already in the company repository.

There is currently no standardised performance management process at Group level. It is envisaged that this will be implemented in the future with a dedicated process aimed at identifying development needs, promoting continuous improvement of skills and increasing people's involvement.

3.1.5 Worker welfare

Welfare and trade-union relations

[ESRS S1 S1-4]

[ESRS S1 S1-8]

[ESRS 2 MDR-A]

[ESRS 2 MDR-M]

All employees of the Group's Italian offices are covered by collective bargaining agreements. For the subsidiary NEAM, the banking agreement in force in Luxembourg applies to all personnel.

Percentage of total employees covered by collective agreements

EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS	31/12/2024		
	Italy	Luxembourg	Total
Number of employees covered	12,266	18	12,284
Total employees	12,266	18	12,284
% coverage	100.0%	100.0%	100.0%

Employees covered by employment contracts within the European Economic Area

EMPLOYEES COVERED BY EMPLOYMENT CONTRACTS WITHIN THE EUROPEAN ECONOMIC AREA	31/12/2024		
	Italy	Luxembourg	Total
Number of employees covered	12,266	18	12,284
Total employees	12,266	18	12,284
% coverage	100.0%	100.0%	100.0%

Metrics

The percentage is calculated as the number of employees covered by collective agreements out of the total number of employees as at 31 December 2024.

In recent years, the Group has entered discussions with trade unions and workers' representatives to improve the working conditions of its employees through supplementary agreements, and to guarantee remuneration commensurate with duties and skills for executives and staff in professional areas.

The first half of 2024 saw the Welfare, Trade Union Relations and Labour Regulations Service working to define the National Labour Agreement, to negotiate with the Group Delegation on the Corporate Productivity Value (CPV) and the procedures pursuant to art. 22 of the CCNL.

At Group level, on 10 June 2024, during the meeting of the Group's Trade Union Committee, two agreements were submitted for signature by the Group's Trade Unions:

- an agreement with which the parties acknowledge the correct amount of the calculations of the CPV paid in 2024;
- an agreement confirming the agreed methods for calculating the CPV, applied on a trial basis for the year 2023/24, in the agreement dated 1 June 2023 and, at the same time, to merge the North East with Trentino-Alto Adige, starting from the CPV to be paid in 2025 using the 2024 budgets. The bundling in question has become necessary because, following recent mergers, the number of Banks present in the North East has fallen below the minimum limit of 10 Banks approved by the CCNL for the North East to continue to be defined as an area in its own right.

Regarding Group trade-union negotiations pursuant to Article 22 of the CCNL agreement, in the first half of 2024 activity was focused on discussions regarding the two business combinations between Affiliated Banks in 2024, as detailed in paragraph 3.1 “Business combinations between Affiliated Banks” of the Report on Operations.

Furthermore, regarding the merger in 2023 that led to the creation of Banca 360 Credito Cooperativo Friuli-Venezia Giulia, negotiations continued supplementing agreements defined on 4 April 2024, expanding the number of beneficiaries of the extraordinary allowance of the Solidarity Fund.

The second half of 2024 saw the Service working on definition of the National Labour Agreement, on discussions with the Group delegation on the development of personnel, on passage of Assicura Agenzia S.r.l. And Assicura Broker S.r.l. to CCNL Federcasse, on negotiations regarding required availability at Allitude, on further implementation of the Group welfare measures with the Banks and on the procedures pursuant to Article 22 of the CCNL for personnel access to the Redundancy Fund.

Throughout 2024, employment law support continued to be provided to the Banks, both with regard to specific activities and more generally to the drafting of opinions, preparation of contracts, out-of-court assistance, operational support, interpretative advice on labour law and assistance in relations with their company Trade Union Representatives.

In July 2024, the renewed National Collective Labour Agreement for Middle Managers and Staff of the Professional Areas of Cooperative Credit Banks – Rural and Artisan Banks was signed.

In addition, there is a Group Supplementary Agreement establishing protections mainly in the areas of:

- training, professional development and appraisal of personnel, new professional profiles for new activities and new organisational structures and related category, regulation of the Corporate Productivity Value;
- meal tickets;
- all-round welfare (remote working, right to disconnect, additional welfare, leave and work-life balance, mortgages and insurance coverage) and territorial mobility;
- quality of work, life and health and safety (business climate, work-related stress, business pressures, and health and safety).

In addition to welfare measures and company benefits, the Group promotes freedom of association and manages relations with trade unions in a responsible way, fostering constructive dialogue and a climate of mutual trust. Furthermore, it promotes active participation of employees in decision-making processes concerning working conditions, corporate welfare and the protection of rights.

Group employees covered by representatives are listed below.

Overall percentage of employees covered by workers’ representatives, indicated at country level for each EEA country where the undertaking has a significant level of employment

EMPLOYEES COVERED BY WORKERS’ REPRESENTATIVES	31/12/2024		
	Italy	Luxembourg	Total
Number of employees covered	9,287	-	9,287
Total employees	12,266	18	12,284
% coverage	75.7%	-	75.6%

Metrics

The percentage is calculated as the number of employees covered by workers’ representatives out of the total number of employees as at 31 December 2024.

Care for employees at Allitude

Discussions were conducted with the trade-union representatives of Cassa Centrale Banca and Allitude S.p.A. on various issues, including signing of two agreements on flexibility of working hours and video surveillance and logistical security systems. In particular, Allitude established an agile-working agreement, for a maximum of ten days per month, with no end date.

In September 2024, Allitude introduced reservable workstations in the Trento office and in the newly opened Milan office. At the second Milan office, AlliSpace was introduced. This is a new branch concept, in which spaces are geared towards collaboration and socialisation without forgetting comfort, privacy or concentration. Features of the new branch include:

- no assigned desks, instead providing workstations that can be reserved;
- presence of comfortable and reserved spaces for taking calls and holding discussions;
- soundproofed environments that facilitate coexistence within spaces;
- modern, fully equipped meeting rooms;
- large refreshment area and spaces for socialising.

Furthermore, by accessing the CGMoving platform, employees were able to apply for vouchers that could be spent at physical or virtual shops, rather than requesting reimbursements for specific services such as vouchers for school-age children.

Statistics on the use of the platform are periodically provided by the supplier company for the configuration of services, in order to flag any critical issues or areas for improvement.

Work-life balance

[ESRS S1 S1-4]

[ESRS S1 S1-15]

[ESRS 2 MDR-A]

[ESRS 2 MDR-M]

With the signing of the Group's Supplementary Agreement, work-life balance protections were broadened, including granting of intra-day flexibility in working hours to meet particular needs related to personal/family requirements.

In addition, two working days of paid leave per year were recognised for particular needs related to care in the event of hospitalisation or surgery of a spouse/relative or related person in addition to those already provided for by law and by the supplementary company/territorial agreements in application of Article 54 of the National Labour Agreement. The subsidiary NEAM also has policies to help balance the personal and working lives of its employees, in line with principles and guidelines defined at Group level. In this respect, NEAM has adopted a flexi-time policy and offers the option of regular and occasional homeworking, in line with Luxembourg law.

In addition to the provisions on rest periods and the right to disconnect provided for by law and employment contracts, the disconnection period was defined from 18:00 to 8:00 and for the entire day on Saturdays and Sundays, in addition to justified absences (for example: part time, holidays, public holidays, leave/recovery, illness, flexible return to work, etc.). It was also stipulated that during the rest and disconnection period, Employees cannot be required to work, allowing them to switch off all company devices used.

In addition, the renewal agreement of the CCNL of 9 July 2024 provides for a reduction in hours as of 1 July 2025 from the current 37.5 hours to 37 hours (reduction of 0.5 hours).

In order to ensure effective implementation of these measures and respond promptly to any requirements or critical issues, employees can raise issues to be handled by Human Resources, as well as contribute to continuous improvement of work-life balance.

As part of the Group's Supplementary Agreement, a document was signed for the definition of "agile work", giving priority to workers who are recipients, for themselves or for family members, of the leave provided for under Law 104/1992 and to workers with disabled children or children up to 12 years of age.

Employees were provided with regulatory and operational guidance on access to parental leave through internal circulars. All male and female employees of the Cassa Centrale Group are entitled to family leave, and the table below shows the number of employees who took this type of leave in 2024.

Percentage of employees entitled to family leave; percentage of eligible employees who took family leave, and a breakdown by gender

WORK-LIFE BALANCE	31/12/2024				
	Men	Women	Other	Not specified	Total
Total employees	6,882	5,402	-	-	12,284
Number of employees entitled to family leave	6,882	5,402	-	-	12,284
Percentage of employees entitled to family leave	100.0%	100.0%	-	-	100.0%
Number of eligible employees who took family leave	997	1,314	-	-	2,311
Percentage of eligible employees who took family leave	14.5%	24.3%	-	-	18.8%

Social protection

[ESRS S1 S1-11]

All employees of the Cassa Centrale Group are covered by social protection instruments under national social programmes against loss of income due to illness, unemployment, occupational injury, acquired disability, parental leave and retirement.

Adequate wages and remuneration

[ESRS S1 S1-4]

[ESRS S1 S1-10]

[ESRS 2 MDR-A]

The Cassa Centrale Group offers its employees a remuneration package that includes a wide range of benefits, differentiated based on their roles in the organisation, without distinction between full-time and part-time or temporary employees. With reference to the benefits recognised to employees, the framework is varied and complex. These include:

- supplementary pension - Cooperative Credit Pension Funds;
- supplementary health cover - Cooperative Credit Mutual Funds;
- insurance cover in addition to that required under the National Labour Agreement;
- scheme for subsidised loans and mortgages;
- company car assigned for personal use (for executives or employees with specific assignments for travel purposes);
- meal vouchers/canteen facilities for the various contractual categories (in line with provisions defined in the National Labour Agreement).

Within the Cassa Centrale Group, all employees receive an appropriate salary according to the applicable parameters, as identified in the relevant CCNL collective labour agreement. For further details on the Group's remuneration policies, please refer to section "3. Social Information", chapter "3.1 Own Workforce", paragraph "3.1.2.1 Policies related to own workforce".

Health and safety

[ESRS S1 S1-2]

[ESRS S1 S1-4]

[ESRS S1 S1-14]

[ESRS 2 MDR-A]

[ESRS 2 MDR-M]

As a result of its business activities, the Cassa Centrale Group did not identify any negative impacts and material risks related to employee health and safety. The health and well-being of employees are nevertheless central issues. The Group implements all necessary preventive actions to ensure safe working environments and compliance with health and safety regulations.

The Group Occupational Health and Safety Policy (please refer to section “Group Occupational Health and Safety Policy”) is the reference document on which Cassa Centrale Banca implemented its Health and Safety Management System certified in December 2024, which also feeds into the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001.

Cassa Centrale Banca has clearly defined health and safety roles and responsibilities by creating and regularly updating the Safety Organisational Chart. This document also includes the Workers’ Safety Representatives (*RLS*), who play a key role in terms of dialogue between workers and management on occupational safety issues. The *RLS*s are regularly consulted and involved through regular meetings or other informal contact. There is at least one appointment per year, to be formalised within the framework of the periodic meeting provided for in Article 35 of Legislative Decree no. 81/08. Additionally, Cassa Centrale Banca regularly organises discussion meetings with all figures involved in management of health and safety within the company.

Alongside this, on-site activity is constantly monitored through inspections, either scheduled or unannounced (e.g. following reports by the *RLS*s), and through specific assessments. To ensure continuous improvement, targeted actions are agreed with all company figures involved following these audit and assessment activities.

Worker health surveillance has been outsourced to an organisation specialised in Occupational Medicine, which coordinates the work of the Company Doctors operating in the Parent Company’s various regional offices and evaluates the aggregate data at the periodic meeting, called pursuant to Article 35 of Legislative Decree no. 81/2008. For Affiliated Banks, the organisational structure is defined according to the specific needs and characteristics of each entity. Company Doctors are also involved in risk assessments, enabling them to provide specific recommendations for necessary prevention and protection measures. Workers are summoned for periodic examinations, as set out in the health protocol. However, they also have the option of requesting non-routine appointments with the Company Doctor, should they deem it necessary in critical situations.

Within Cassa Centrale Banca, too, most office tasks are not associated with serious or immediate risks. Critical situations may arise in relation to workspaces; therefore, procedures for the management of any emergencies and specific evacuation maps, complete with all required information, have been prepared and affixed in various places in the buildings. A noteworthy initiative in this regard was the introduction of AEDs (automated external defibrillators) at the company from 2022, with all Cassa Centrale Banca branches being equipped with these devices and colleagues being trained in their use.

Thanks to implementation of an organic occupational health and safety management system in compliance with the standards, in December 2024 Cassa Centrale Banca passed an inspection by the IMQ certification body to gain UNI EN ISO 45001:2023 certification for “Occupational Health and Safety Management Systems”, in line with the objectives of the Sustainability Plan. During 2024, the Parent Company continued initiatives to promote the physical and psychological well-being of employees. A partnership with a specialised supplier has been consolidated to encourage adoption of healthier lifestyles, including through increased attention to behaviour in the office. For example, courses were organised on correct posture to adopt when working at screens, as well as seminars on managing stress and sleep.

During the year, safe driving courses were offered to staff who use their cars most frequently for work. Courses included a four-hour theory component and a practical session at a safe driving centre with professional instructors.

Well-being at the company remains a pillar in the strategy to build the Group's corporate culture, which is why the psychological well-being awareness project continued in the second half of 2024.

The psychological well-being project, supported by a network of specialised professionals partnering in these initiatives, continues to be highly appreciated and widely used, including for personal growth plans thanks to the commitment of expert coaches.

In this context, the Human Resources Department supported the "Mindwork" programme, a project providing access to initial psychological support with psychologists and other specialists. The programme is anonymous and access is completely free of charge. Moreover, also in 2024 the Cassa Centrale Group again continues to promote the "Manifesto for psychological well-being at work", created by the Mental Well-being Council of which the Group is a member. The Manifesto seeks to shape the future of the human dimension at work. It promotes an organisational culture inclusive of mental health through alignment of values, sharing of intentions and tangible and widespread commitment among the signatory companies. In tandem, it strives to be an opportunity for exchange and mutual growth, offering indications and best practices that are useful for achieving the goal of complete psychological well-being. Partnerships also continued with Eukinetica, a company specialising in corporate wellness.

Percentage of own employees covered by the company's health and safety management system according to legal requirements and/or recognised standards or guidelines; number of deaths due to work-related injuries and illnesses; number and rate of recordable work-related injuries; in the case of the company's employees, the number of cases of recordable work-related illnesses, subject to legal restrictions on data collection; in the case of the company's employees, the number of days lost due to work-related injuries and deaths due to work-related injuries, work-related illness and deaths due to illness

HEALTH AND SAFETY INDICATORS	31/12/2024		
	OWN WORKFORCE - EMPLOYEES	OWN WORKFORCE - NON- EMPLOYEES	Workers in the value chain
Number of workers covered by company Health and Safety Management System	12,284	227.0	n/a
Total workers	12,284	245.4	n/a
Percentage of workers covered by Health and Safety Management System	100.0%	92.5%	n/a
Number of deaths due to work-related injuries and illnesses	-	-	-
of which: accidents at work	-	-	-
of which: work-related ill health	-	-	-
Number of recordable work-related injuries	82	2	n/a
Total number of hours worked	19,159,298	399,347	n/a
Rate of work-related injuries	4.3%	5.0%	n/a
Number of recordable cases of work-related diseases	-	n/a	n/a

Metrics

For employees covered by the company's health and safety operations system, the number of workers at 31 December 2024 is considered, while for non-employees, average values recorded during the year are considered, averaging the number of persons in service at the end of each month.

A certified health and safety management system covers all employees of Cassa Centrale Banca; in Other Banks and Group Companies, the principles referred to in the Group Occupational Health and Safety Policy apply.

Rate of work-related injuries for employees and workers who are not employees: the rate of work-related injuries is calculated as the ratio of the number of recordable work-related injuries to the total number of hours worked, multiplied by 1,000,000.

Work-related injuries recorded during the year are not related to safety issues in the working environment. Moreover, none of them had serious consequences, resulting in a zero rate of work-related injuries with serious consequences (excluding fatalities) for the three-year period 2022-2024. Analyses conducted on the Group's Loss Data Collection Database confirm the absence of material impacts on occupational health and safety.

With regard to reputational risk in 2024, there were no significant losses in the Group's Loss Data Collection Database for the event category "Employment Relationships and Workplace Safety" or for the area of working conditions, equal treatment, equal opportunities and other work-related rights that have had or could generate a reputational impact on the Group. In addition to this analysis, considering the findings of the Group's Reputational Risk Assessment, taking into account the Reputational Risk Sources "Management and Internal Communication" and "Occupational Health and Safety", no relevant Residual Risks were identified.

The Group continues to consolidate activities related to the adequacy profile of suppliers involved in tasks that could have health and safety implications. As part of the supplier-selection process, based on the specific conditions, fulfilment of health and safety requirements in the workplace are assessed, including the presence of the Risk Assessment Document and training of those in charge, and insurance cover to protect against possible accidents.

Data on resources dedicated to the management of relevant impacts related to the Group's Own workforce have not been included in this statement as, based on the analysis performed, the amounts were not significant.

Attention to health and safety within Allitude through the adoption of a Health and Safety system

In line with the arrangements put into place by Parent Company, in recent years, Allitude embarked upon a path to develop a Health and Safety Organisation and Management system. To further increase the protection of workers, a working group was set up with specialised expertise to ensure continuity and evaluation from a range of perspectives in Allitude's different areas of action.

In addition, in 2024 Allitude adopted an "Occupational Health and Safety Training Plan". This defines overall training activities in implementation of the provisions of internal regulations and in line with the 231 Organisational Model.

As part of the "Corporate wellness - the wellness month" project, courses were offered in July 2024 on topics such as "Stress management", "Personal motivation: how to achieve more in private and professional life", "Food As Medicine: how nutrients can support the immune system" and "How to adopt correct posture and the benefits of stretching". In addition, weekly courses were organised in October 2024, with an average attendance of 200 people per session.

3.1.6 Workforce targets

[ESRS S1 S1-5]

[ESRS 2 MDR-T]

Within the framework of the Cassa Centrale Group's Sustainability Plan, a number of key objectives were defined in line with the vision of a responsible, inclusive and welfare-oriented organisation. These objectives are broken down into several areas, including work-life balance, occupational health and safety, gender equality, and skills development, and are planned over the period up to 2027. For the definition of ESG goals, the process establishes direct and continuous dialogue between Human Resources and the ESG structure, for the elements included in the Sustainability Plan.

The table below shows the Group's targets related to its own workforce.

Description of the actions	Objective	Target year	Base year	Base value	Intermediate target	Description of the relationship between the objective and policy objectives
ESG training hours for employees	225,000 hours of total ESG training at Group level	2027	2023	44,000 hours of ESG training	165,000 total ESG training hours by 2026 (training programmes to be planned according to evolution of the context and corporate strategy)	Linked to the principles of the following policies: (i) Anti-Corruption Policy, (ii) Environmental Policy, (iii) Human Rights Policy, (iv) Diversity Policy, (v) Occupational Health and Safety Policy
ESG training programme for corporate executives	70% of corporate executives participating in Parent Company ESG training during the year	2027	2023	30% of corporate executives participating in ESG training	60% of corporate executives participating in ESG training by 2026	This objective is linked to the principles of the "Cooperative Credit Charter of Values" and the values set out in the Code of Ethics
ESG training programme for employees	70% of employees participating in Parent Company ESG training during the year	2027	2023	25% of employees participating in ESG training	60% of employees participating in ESG training by 2026	This objective is linked to the principles of the "Cooperative Credit Charter of Values" and the values set out in the Code of Ethics
Achievement of UNI PDR 125:2022 certification on Gender Equality at Group level	40% Banks/ Companies certified in accordance with UNI/ PdR 125:2022	2026	2023	UNI/PdR 125:2022 Gender Equality Certification gained by the Parent Company and 3 Banks	25% Banks/ Companies certified by 2025 40% Banks/ Companies certified by 2026	This objective is linked to the core principles of the "Diversity Policy": (i) avoidance of discriminatory practices, (ii) guarantee of equal opportunities, (iii) promotion of inclusion and (iv) respect for a healthy work-life balance.
Work-life balance projects for employees	Implement 4 projects to strengthen work-life balance measures. Projects to be planned according to evolving circumstances and needs	2027	2023	Collective bargaining has had effects at various levels in this regard, introducing up to 10 days of homeworking and various permits to support parenting, frail individuals and caregivers	Implement 2 work-life-balance-oriented projects by 2025	This objective is associated with the values set out in the Code of Ethics and the principles of the "Diversity, Equity and Inclusion Policy".

Cassa Centrale Banca’s occupational health and safety objectives are set and periodically reviewed during Top Management Review of the Health and Safety Management System or the Periodic Meeting (Art. 35 of Legislative Decree. 81/08). In addition to constantly reducing accidents and offering supplementary courses, including those on driving safety, the Group has set the following objective:

Description of the actions	Objective	Target year	Base year	Base value	Intermediate target	Description of the relationship between the objective and policy objectives
Health and safety certification	Extension of the scope of ISO 45001 "Health and Safety Management System" certification	2027	2023	No certification	Certification in accordance with ISO 45001 "Health and Safety Management System" at Parent Company in 2025	The goal is linked to the principles of the "Group Occupational Health and Safety Policy".

More information on the Group’s 2024-2027 Sustainability Plan can be found in section “1. General Disclosures”, chapter “1.4 Management of Impacts, Risks and Opportunities”, paragraph “1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model”.

3.2 Affected Communities

ESRS S3

3.2.1 Strategy: Impacts, risks and opportunities

[ESRS S3 SBM-3]

Through its double materiality analysis, the Cassa Centrale Group has identified and assessed material impacts and opportunities in relation to affected communities. For further details, please refer to section “1. General Disclosures”, chapter “1.4 Management of Impacts, Risks and Opportunities”, paragraph “1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model”.

The predominantly mutual co-operative nature of the Group’s Affiliated Cooperative Credit Banks determines strong ties with local areas, resulting in a direct and constant relationship with communities. This intrinsic link reduces the risk of significant negative impacts and strengthens the role of Affiliated Banks in promoting the welfare and development of areas in which they operate. This focus is further reinforced by the sense of responsibility associated with being an example of “banking biodiversity” with a strong profile in the various communities in which it operates. Regional dynamics may influence the operations of individual Affiliated Banks, but do not represent a significant ESG risk for the Group or local communities.

Whilst the Group does not currently have a structured model for measurement of economic and social benefits and knock-on effects on affected communities, implementation of the principles of cooperation, mutuality and localism ensures a positive impact. Evidence of this can be seen in a series of distinctive features, set out in section “1. General Disclosures”, in chapter “1.3 Strategy”, paragraph “1.3.1 Strategy, business model and value chain”.

Thanks to its widespread presence across Italy, the Group serves as a point of reference for the communities in which it operates. Affected communities include:

- **the local communities in the areas where Affiliated Banks are based**, which benefit from the economic and social support of the Banks’ activities and initiatives supporting local areas;
- **suppliers and local companies operating along the value chain**, for which the Group provides ESG selection and monitoring criteria and which are located in Italy;
- **public institutions and local associations**, with which the Group collaborates on social and economic development initiatives;
- **retail investors**, due to distribution of the NEF fund, managed by the NEAM, the Group’s asset-management company. This locally networked model translates into proximity and day-to-day relations with the financial community, making it possible to identify and often anticipate its needs.

Finally, there are a number of initiatives with a positive impact on international communities, including Microfinance Campesina, which supports Ecuadorian economic development, and the support of social projects abroad through charitable initiatives, including the Group’s Christmas initiative.

3.2.2 Management of impacts, risks and opportunities

3.2.2.1 Policies related to affected communities

[ESRS S3 S3-1]

[ESRS 2 MDR-P]

The Cassa Centrale Group bases its operations on a solid foundation of values and regulations, guiding Affiliated Banks and Subsidiaries in compliance with the principles of Cooperative Credit. This commitment is realised through governance geared towards building the common good, with a business model centred around community, participation and sustainability.

The Group's operations are firmly anchored in the defining principles of mutual cooperative credit, expressed in the twelve values of the **Cooperative Credit Charter of Values**. These values are clearly consistent with the Sustainable Development Goals of the 2030 Agenda, as described in section "1. General Disclosures", in chapter "1.3 Strategy", paragraph "1.3.1 Strategy, business model and value chain". In particular, **Article 7** of the Cooperative Credit Charter of Values underlines the importance of "Promoting local development" and highlights the strong link between Cooperative Credit Bank lending activities and local communities, emphasising promotion of local development also through the annual allocation of a portion of profits to such efforts. This principle is further enshrined in the Parent Company's Articles of Association. **Article 4.2** reaffirms the mutualist vocation and role of Affiliated Banks in promoting the economic, cultural and social wellbeing of the communities in which they operate, and **Article 4.3** establishes the aim of enhancing the unique linguistic and cultural profiles of the Affiliated Banks' local areas.

The **Code of Ethics**, adopted by the Group Companies, is a further tool offering guidance to ensure transparency, integrity and accountability in the Group's activities. In particular, there is a section in the Code on "Relations with Communities". Discussed in more detail in section "4. Information on Governance", chapter "4.1 Business Conduct", paragraph "4.1.2.2 Corporate culture and business conduct policies", the Code defines the principles of fairness and inclusivity, guiding business decisions in an ethical and responsible manner.

The Group is therefore distinguished by its social orientation, focusing on the active participation of Affiliated Banks, which enjoy operational independence, allowing them to adapt strategies and actions to the specific local contexts. This approach makes it possible to maintain constant dialogue with communities, public authorities, small businesses and local associations, ensuring concrete support for local needs.

The Group ensures respect for human rights in all of its operations, avoiding discrimination based on gender, age, ethnicity or other personal qualities in the provision of credit and financial services. This commitment is enshrined in the **Human Rights Policy**, covered in section "4. Information on Governance", chapter "4.1 Business Conduct", paragraph "4.1.2.2 Corporate culture and business conduct policies". In 2024, no human rights problems and incidents were reported in relation to the affected communities.

In management of relations with affected communities and respect for their rights, the Group observes internationally recognised standards. These include the United Nations Guiding Principles on Business and Human Rights, and, more recently, the **UN Global Compact**, since the company joined this voluntary initiative promoting sustainable and responsible business practices, in 2023. In line with this initiative, the Group ensures transparent reporting by regularly publishing information on its alignment with the ten principles of the Global Compact and its progress in this regard. Furthermore, during 2024, no cases of non-compliance with the UN Guiding Principles on Business and Human Rights or the ILO Declaration on Fundamental Principles and Rights at Work involving affected communities were reported in own operations or upstream and downstream in the value chain.

Social responsibility and community support is regulated at statutory and regulatory level, for which the Group does not currently consider it necessary to adopt a specific policy. The Group's actions are rooted in its cooperative identity and regulatory framework, ensuring ethical and responsible actions that go beyond the adoption of formal guidelines.

3.2.2.2 Processes for engaging with affected communities

[ESRS S3 S3-2]

By its very nature, Cooperative Credit is deeply rooted in local areas and oriented towards serving local communities, acting as a point of reference for citizens, enterprises and public authorities. The widespread presence of Affiliated Banks makes it possible to offer essential services, guaranteeing a stable point of contact for the social and economic fabric of the local area. Through a network of bank branches spread across different Italian municipalities, the Group promotes financial inclusion and support for local economies, actively contributing to the community wellbeing.

Engagement with affected communities involves meetings with representatives of institutions and non-profit organisations, participation in teams, working groups and technical committees and events in the area open to the public. For further details, please refer to section "1. General Disclosures", chapter "1.3 Strategy", paragraph "1.3.2 Interests and views of stakeholders".

In a banking sector which has seen a progressive reduction in the number of physical branches in recent years, the Cassa Centrale Group has reaffirmed its commitment to ensuring access to financial services even in less densely populated areas, with 370 active branches in municipalities where it is the only bank present. Furthermore, this strong local presence translates into a direct and ongoing relationship with communities, facilitating dialogue with local administrative bodies, which often consult Cooperative Credit Banks regarding requests for essential banking services, such as the installation of ATMs in areas which are unserved, maintenance of physical access points and support for local initiatives, including sponsorship of cultural, sporting and social events.

Branches in municipalities by population bracket

BRANCHES BY MUNICIPALITY	31/12/2024	
	Number of branches	%
Number of branches in municipalities with up to 3,000 inhabitants	293	19.7%
Number of branches in municipalities with over 3,000 inhabitants	1,198	80.3%
Total	1,491	100.0%

Group presence in municipalities across Italy

GROUP PRESENCE	31/12/2024
Number of municipalities where the CCB Group is the only bank	329
Number of municipalities in which the CCB Group is present	1,086

Of the 329 municipalities in which the Group is the only bank present, 227 have fewer than 3,000 inhabitants.

For more information on the areas in which the Affiliated Banks and branches of the Cassa Centrale Group are located, please consult the Report on Operations or the Parent Company website.

At Group level, dialogue with affected communities and other stakeholders is coordinated by the External Relations and Sustainability Service function, which manages the Group's institutional relations and communication.

Through its channels of dialogue with affected communities, the Group also pays attention to reports from those considered vulnerable or from specific groups such as women and young people/students.

3.2.2.3 Impacts and reporting channels

[ESRS S3 S3-3]

The Cassa Centrale Group promotes direct and continuous dialogue with local communities by guaranteeing accessible channels for reporting problems or requesting assistance. Reports are currently made primarily through direct contact with Affiliated Banks, through informal reports or by contacting branches.

At Group level a structured whistleblowing system has also been implemented, serving all Affiliated Banks and Subsidiaries. This is accessible both internally and externally through a dedicated platform on the Parent Company's website. The reporting and monitoring of the issues raised are discussed in more detail in section "4. Information on Governance", chapter "4.1 Business Conduct", paragraph "4.1.2.2 Corporate culture and business conduct policies".

Through the use of press releases, publication of news on the Parent Company and Affiliated Banks' websites, and the "Cassa Centrale Group" LinkedIn page, the External Relations and Sustainability Service ensures transparency and active engagement of stakeholders, providing information on local development, sustainability and cooperation initiatives. Further strengthening its consultation and engagement initiatives, the Parent Company is revising the Sustainability section of its website (www.cassacentrale.it), with addition of a new section entitled "Dialogue with Affected Communities" and a form for affected communities to report issues, offering an additional structured and easily accessible tool for dialogue.

3.2.3 Actions and initiatives on affected communities

[ESRS S3 S3-4]

[ESRS 2 MDR-A]

[ESRS 2 MDR-M]

Mutual cooperative credit represents an original formula in the banking sphere, characterised by a strong local vocation and genuine proximity to communities. The Group supports local areas by providing products and services that meet the needs of local people and businesses, and by supporting initiatives with social-welfare, cultural, educational and local-development purposes.

The widespread presence of Affiliated Banks enables strategic choices to be calibrated to the specific economic, social and cultural characteristics of each area. Decisions guiding commercial products and services are geared to respond not only to the immediate needs of Affiliated Banks' customers and members, but also to broader community needs.

In 2024, the Cassa Centrale Group continued to support economic and social development, including through the use of state guarantees and social loans to facilitate access to credit for businesses, stimulate investment in strategic sectors and encourage job creation. For further information on social loans, please refer to section "3. Social Information", chapter "3.3 Consumers and End-Users", paragraph "3.3.6 Social Loans".

Over the past year, the Group made more than 20 thousand contributions throughout Italy, for a total of more than EUR 52 million. The decision to support initiatives is made independently by Affiliated Banks and Subsidiaries, which carefully assess the needs of the communities in which they operate. Initiatives on which the Group focuses include:

- social/assistance activities;
- culture, training and research;
- promotion of the local area and the economic entities;
- sport, recreation and aggregation;
- support for third-sector entities;
- investments and infrastructure services for the benefit of the public;
- financial education;
- policies and measures adopted in relation to arms.

The initiatives achieved in 2024 are listed below.

Community initiatives – Charity and sponsorship

COMMUNITY INITIATIVES	31/12/2024	
	No. of initiatives by area of action	Total amount in Euro
Social and assistance activities	2,899	7,152,657
Culture, training and research activities	6,405	10,596,541
Promotion of the local area and the economic entities	2,785	12,262,162
Sport, recreation and aggregation	8,137	16,395,032
Foundations (founded or invested in by the Bank/Company)	40	6,149,538
Total	20,266	52,555,930

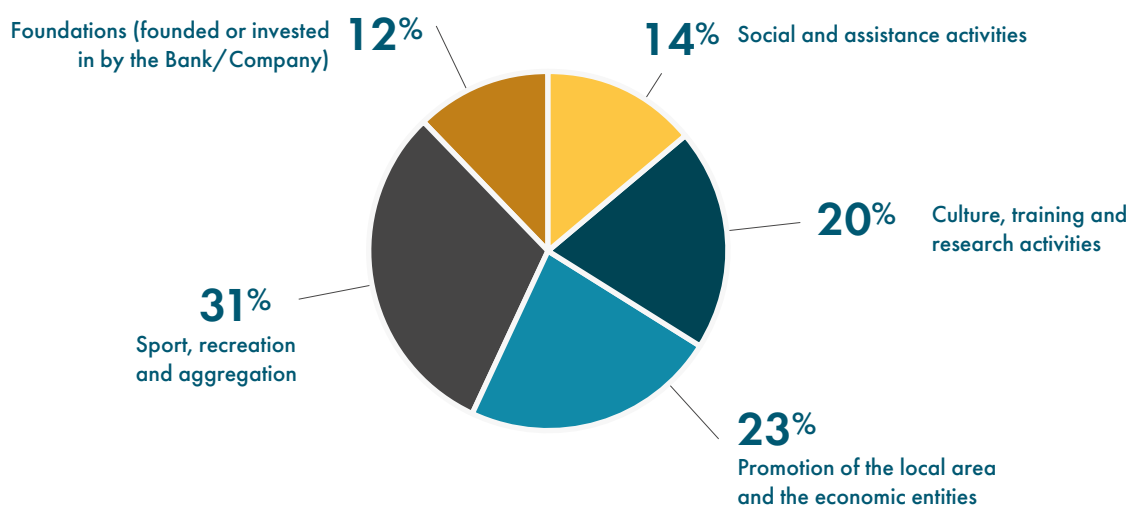
Metrics

Number of initiatives by type: total number of individual initiatives completed in 2024, segmented by type of activity. This includes the initiatives of companies within the scope of consolidation.

Total amount: total expenditure in Euro incurred in 2024, grouped by type of activity. The total expenditure incurred is made up of EUR 32 million for the Provision for charity and EUR 20.5 million for the Expenses on the income statement (i.e. sponsorships).

Amounts for community interventions are included:

- in the changes (utilisation) of the Provision for charity during the year, the balance of which as at 31 December 2024 is shown in the Consolidated Explanatory Notes under Section 10 of Liabilities in Part B "Information on the consolidated balance sheet", in the table "10.6 Other Provisions for Risks and Charges";
- in Other administrative expenses reported in the Consolidated explanatory notes under Section 12 of Part C "Information on the consolidated income statement", in the table "12.3 Other administrative expenses: breakdown" and specifically within the items "Advertising and entertainment expenses" and "Other administrative expenses – Other".



Social and assistance activities

[ESRS S3 S3-4]

[ESRS 2 MDR-A]

The Banks of the Group pay particular attention to the issue of health, providing initiatives such as discounts for medical examinations and diagnostic tests, supplementary health services and free preventive health checks for members and customers.

21 Banks and one Company¹⁹ also promote financial inclusion through initiatives aimed at facilitating access to financial services for individuals not yet fully integrated into the ordinary financial system, both through training activities and introduction of dedicated products.

In 2024, 2,899 initiatives were promoted for a total of EUR 7.2 million. In particular, 57% of the amounts disbursed in the socio-welfare field were for assistance, solidarity and voluntary work (amounting to over EUR 4 million for 1,907 initiatives), 23% to the health sector (amounting to EUR 1.6 million for 283 initiatives), 10% to support for civil protection (for almost EUR 750 thousand and 361 initiatives), 5% to solidarity initiatives towards developing countries (for an amount of approximately EUR 390 thousand and 151 initiatives), while the remainder refers to other initiatives (for an amount of approximately EUR 296 thousand and 197 initiatives). These include, for example, projects aimed at improving safety and quality of life in nursing homes in the target areas. This included use of smart devices and sensors, which are able to remotely detect useful information in real time, ensuring quick, more responsive and resident-friendly care. Another initiative involved support to associations dedicated to training and development for people with disabilities.

In 2024, the Cassa Centrale Group strengthened its charity commitment, with significant donations to provide aid in emergency situations, particularly in response to natural disasters. One example was the support offered to populations affected by flooding in June 2024 in Valle d'Aosta and other areas of northern Italy. The Group has provided economic support to local communities, allocating approximately EUR 100,000 to families and small businesses in Italy, contributing to the recovery and reconstruction of the worst-hit areas. This includes restoration of a river park in Emilia-Romagna following serious flooding that affected the area.

Initiatives supported by Prestipay

In 2024, Prestipay confirmed its social commitment by supporting various non-profit organisations and associations with a total contribution of EUR 75,000. In particular, donations were made to:

- the "Arte e Libro Società Cooperativa Sociale" Association, which has been working for over 40 years to promote inclusion of disabled and disadvantaged people in the world of work, offering customised courses adapted to individual abilities. Training helps each individual to be more independent and to be an active part of the community;
- the "Insieme Si Può" Association, which provides assistance to people with disabilities in the area. Its mission is to overcome social and labour marginalisation, making personal fulfilment and community engagement possible for people with disabilities;
- the "Ernesto Balducci" Centre for Reception and Cultural Promotion, which has been working in the field of reception and cultural promotion for more than 30 years, looking after those who are socially marginalised, such as foreign citizens, refugees, beneficiaries of humanitarian protection and asylum seekers. Its work has a particular focus on families with children;

¹⁹ The indicated data was gathered from the Best Practices questionnaire, run in cooperation with Euricse. Please refer to section "1. General Disclosures", chapter "1.3 Strategy", paragraph "1.3.2 Interests and views of stakeholders".

- “Dinsi Une Man Soc. Coop. Sociale a r.l.”, which aims to fill the gap left by inadequate transport services, avoiding processes of exclusion and marginalisation of persons with disabilities. The organisation provides daily specialised transport to hundreds of users with a range of differing needs.

Initiatives supported by Allitude

In 2024 Allitude reaffirmed its commitment to social sustainability and support for local communities. Solidarity initiatives **confirmed** the company’s attention to local organisations, with a focus on charity work and direct involvement of employees.

One highlight was the traditional “Christmas Charity Initiative” in December 2024. Through this programme, Allitude donated a total of EUR 150,000 to 107 non-profit organisations and associations, allocating funds that would previously have been used for Christmas presents to employees. The choice of beneficiary associations was entrusted to employees, who had the opportunity to directly indicate the projects and causes they felt closest to, ensuring targeted and heartfelt support.

The projects funded were spread across several areas, demonstrating the broad spectrum of the company’s charity efforts:

- 48 projects for **assistance and voluntary work** initiatives, with a focus on supporting the most vulnerable sections of the population;
- 3 projects dedicated to **recreational activities**, aimed at promoting social interaction and leisure;
- 2 initiatives to support **religious activities**;
- 1 project focused on the **promotion of culture and art**, with the aim of enhancing local cultural heritage;
- 5 projects in the field of **scientific research**, aimed at supporting studies and innovations in areas crucial to society;
- 5 initiatives related to **school and training**, with the aim of ensuring access to education and enhancing learning opportunities;
- 5 projects supporting **sports activities**, with the aim of promoting health and physical well-being;
- 8 **health initiatives**, supporting public health facilities and projects;
- 26 projects dedicated to **charity work with developing countries**, focusing on humanitarian aid and working to improve living conditions;
- 4 projects related to **civil protection**, supporting emergency and disaster-prevention activity.

Culture, training and research activities

[ESRS S3 S3-4]

[ESRS 2 MDR-A]

The Cassa Centrale Group has always been active in the cultural sphere and through partnerships with education and research institutions. In 2024, 6,405 initiatives were promoted for a total amount of over EUR 10.5 million, 51% of which were attributable to support for events promoting culture and art (over EUR 5.4 million for 2,491 initiatives), 20% to grants for schools and training activities (over EUR 2.1 million for 1,141 initiatives), 19% to scholarships (over EUR 2 million and 2,378 initiatives), 4% to initiatives supporting scientific research (over EUR 430 thousand and 79 initiatives) and the remainder for other initiatives (EUR 540 thousand and 316 initiatives).

Actions benefiting communities include the organisation of training and information meetings and events: 33 Banks and one Company organised meetings on cultural issues, 23 Banks on economic and financial issues, while 21 worked to disseminate and raise awareness of the 2030 Agenda Sustainable Development Goals. 9 Affiliated Banks and the Parent Company ran specific initiatives in 2024 targeted at young people, focusing on the development and support of youth entrepreneurship.²⁰

Among the cultural activities supported, Cassa Central Banks and Allitude focused on the theme of gender equality, jointly promoting the press review "Femminile Plurale", conceived in collaboration with the Teatro delle Quisquiglie theatre in Trento. This initiative arose from the desire to promote a culture of inclusion within the company and among citizens, organising four evenings dedicated to gender equality issues, illustrating the unique nature of women's different stories. Affiliated Banks also support various women's empowerment activities and projects in their respective areas.

In 2024, the Cassa Centrale Group consolidated its commitment to research and support for Italian universities and research centres. Key initiatives include the partnership with the AIRC Foundation, supporting two different projects. The "My First AIRC Grant" initiative is aimed at young researchers working in Italian facilities of excellence with the aim of supporting scientific research. The second initiative supported the purchase of laboratory equipment for a paediatric cancer research team. Cassa Centrale Banca and Allitude participated in "International Women's Day", supporting the Veronesi Foundation, for a scientific research project into women's cancers. Total contributions amounted to EUR 120 thousand, which fall within the Group's disbursements for culture, training and research activities.

The Cassa Centrale Group takes concrete action to support the right to study through initiatives with universities and financial support for students. Initiatives were run to promote contact between young people and companies, with participation in events such as career days and talent days, creating opportunities for direct engagement with the world of employment.

Another notable example of commitment to the right to education is the five-year agreement with the University of Trento, launched in 2020, which establishes scholarships in memory of Giulia Tita and Luigi Giuriato, two employees of Cassa Centrale Banca who died prematurely. The agreement provides for a total contribution of EUR 150,000 to support deserving or economically disadvantaged university students, with annual calls for applications. For the academic year 2024/2025, two scholarships, worth EUR 7,500 each were awarded to support students on master's degree courses:

- in memory of Giulia Tita, for female students on the Finance Master's at the Department of Economics and Management;
- in memory of Luigi Giuriato, journalist and Cassa Centrale Banca communications officer, for students of the Department of Sociology and Social Research. These students' theses will focus on issues related to internal and external organisational communication in the economic and credit context.

²⁰ The indicated data was gathered from the Best Practices questionnaire, run in cooperation with Euricse. Please refer to section "1. General Disclosures", chapter "1.3 Strategy", paragraph "1.3.2 Interests and views of stakeholders".

Promotion of the local area and the economic entities

[ESRS S3 S3-4]

[ESRS 2 MDR-A]

2,785 initiatives were promoted for a total amount of more than EUR 12.3 million, 45% of the amounts disbursed were for initiatives in favour of members (almost EUR 5.5 million for 467 initiatives), approximately 22% to support various bodies for the promotion and development of tourism (for an amount of over EUR 2.6 million and 751 initiatives), 17% to aid for parishes (for more than EUR 2 million and 1,138 initiatives), 9% to initiatives aimed at renovating buildings of public interest (for more than EUR 1.1 million and 126 initiatives) and 8% for maintenance in the local area (EUR 920 thousand and 303 initiatives).

2024 also saw celebration of two important anniversaries: the 50th anniversary of establishment of Cassa Centrale Banca and the fifth of establishment of the Cooperative Banking Group. These were two important milestones, which provided an opportunity, together with citizens and Group colleagues, to confirm the relevance of our original service model founded on a close connection with stakeholders and pursuit of the common good.

From 26 to 29 September 2024, the Group organised days full of fun and engaging free events open to the public, designed to renew the deep-rooted sense of belonging to the community that characterises mutual cooperative credit. The event saw direct involvement of thousands of employees, customers and citizens. The Group organised this initiative to celebrate its successful growth over the years while maintaining a close connection with the areas in which it was founded. Celebrations included:

- **institutional and public events**, including concerts, talks, shows and a charity run, with widespread participation of citizens;
- **targeted communications**, with local advertising campaigns, customised point-of-sale materials and dedicated digital content.

A strong visual identity was established, with the creation of two commemorative logos and a creative concept that transformed the city of Trento into a symbol of cooperation and innovation.

Particularly memorable aspects of the celebrations included the "Together for the Common Good - Happy Family Run" charity event, which was attended by over 1,500 people. On this occasion, the Group made a donation to the AIRC Cancer Research Foundation, focused on women's tumours and supporting the work of young researchers, demonstrating its commitment to the community.

Activities supporting the local area included the commitment of Group Banks to promoting and increasing social interaction: 40 Banks offer own premises on an occasional basis to local organisations and associations and 38 organise recreational events for members and customers. In 6 cases, the Banks provide their own premises for coworking and remote-working activities with a total of 86 available workstations.²¹

Sport, recreation and aggregation

[ESRS S3 S3-4]

[ESRS 2 MDR-A]

In 2024, the Cassa Centrale Group supported several initiatives dedicated to sport, leisure and social interaction, investing a total of EUR 16.4 million in 8,137 projects. These initiatives aim to strengthen the sense of community, promote healthy lifestyles and encourage citizens' active participation in local activities.

54% of the total amount was allocated to support sports and sports associations, with an investment of EUR 8.9 million to finance 3,827 initiatives. These contributions have supported the development of local sports activities, encouraging amateur and competitive activity.

²¹ The indicated data was gathered from the Best Practices questionnaire, run in cooperation with Euricse. Please refer to section "1. General Disclosures", chapter "1.3 Strategy", paragraph "1.3.2 Interests and views of stakeholders".

20% was allocated to finance the organisation of events, shows and festivals, totalling EUR 3.2 million for 1,689 events. These initiatives generated opportunities for social interaction and cultural exchange, helping to promote the traditions and unique characteristics of local areas.

17% was allocated to supporting recreational and entertainment activities, with an investment of over EUR 2.8 million in 2,124 initiatives, aimed at promoting social cohesion and providing leisure opportunities for local communities. The remainder was allocated to other initiatives, totalling EUR 1.4 million, with 497 initiatives.

Among the different events and initiatives 13 Banks focused on the areas of sports, quality of life and healthy eating. 16 Banks offer discounts to members and customers for sporting activities.²⁰

Third-sector entities

[ESRS S3 S3-4]

[ESRS 2 MDR-A]

The Group has established numerous collaborations with local organisations, reinforcing its commitment to the community and to social welfare. Key partnerships include social cooperatives, Pro Loco and APT local organisations, associations and voluntary groups, municipalities and other local authorities, educational institutions, AVIS blood-donation organisations, parishes and many others from the third sector. These partnerships aim to support cultural, educational, social and health initiatives, fostering sustainable development and social cohesion in the target areas.

A further aspect of social sustainability is represented by establishment of Third-Sector entities within the Banks, with a broad range of missions but united by the goal of increasing social welfare. The social economy encompasses a range of organisations such as associations, cooperatives, mutual funds, foundations and social enterprises, all sharing the priority of pursuing social objectives. These entities work to meet the needs of specific categories of individuals or of the entire community through democratic and participatory governance.

At the end of 2024, the Group Banks had established a total of 42 organisations, the majority of are foundations registered with the Register of Third Sector Entities (RUNTS). Since 2021, 18 new organisations have been set up to promote cultural, recreational and social and health-focused activities. The resources allocated by Affiliated Banks to set up these entities vary, with most investments amounting to EUR 30,000, and in some cases exceeding EUR 500,000²². In addition to financial support, the Affiliated Banks also provide non-financial resources, including the provision of land, office technology, use of equipment, qualified personnel and premises for operations.

Looking to the future, several Affiliated Banks are considering increasing their support to local areas in order to offer the community benefits in relation to health services, social services, cultural and recreational activities of social interest, heritage protection and promotion, and education, learning and vocational training.

Foundations (founded or invested in by the Bank/Company)

In 2024, EUR 6.1 million was disbursed to Foundations where the Bank was also a founding member and/or supporter. They consisted of 40 initiatives, 10 for assets (amounting to EUR 878 thousand) and 30 for operational management (amounting to EUR 5.2 million).

Foundations mainly have the purpose of promoting local areas and cultural activities, but also welfare, solidarity and healthcare.

Mutual Funds

Mutual Funds are non-profit associations operating on the principle of mutuality. Mutual Funds are set up to provide Cooperative Credit members and customers with economic benefits and health, assistance and welfare services.

²² The indicated data was gathered from the Best Practices questionnaire, run in cooperation with Euricse. Please refer to section "1. General Disclosures", chapter "1.3 Strategy", paragraph "1.3.2 Interests and views of stakeholders".

Mutual Funds are available to anyone who becomes a member. Membership is often restricted to customers or members of Affiliated Banks that support or promote the establishment of a Mutual Fund. Mutual Fund members receive a card to access a network of affiliated facilities and a range of health and wellness benefits, including:

- **direct discounts on specialist medical** examinations, diagnostic examinations, therapies and admission to affiliated private facilities;
- **reimbursement** of medical expenses incurred, such as hospital fees or for medical services;
- **additional healthcare benefits**;
- **access to free screening and prevention campaigns** to promote health monitoring and early detection of diseases;
- **integrated health programmes**, which include initiatives for physical, emotional, psychological, nutritional and social well-being;
- **social welfare contributions** such as transport services for medical visits or home care;
- **information and awareness-raising initiatives**, including conferences and meetings on health and wellness issues.

Membership of a Mutual Fund may be through Affiliated Banks or directly with the mutual institution.

Youth Groups

Over the last 15 years, Cooperative Credit Banks have supported the founding of organisations that reach out to young people (generally under 35 and members), with the aim of transmitting the values and principles of Cooperative Credit to new generations, also contributing to generational turnover and the creation of an informed and conscious social base. There are currently 19 Youth Groups among Affiliated Banks. These fuel participation and dialogue, giving participants a concrete opportunity to contribute to the sustainable growth of their communities and strengthen their sense of belonging to the local area. Through events, training sessions and dedicated projects, Youth Groups foster dialogue around economic, social and environmental issues, offering participants tools to gain knowledge of banking and financial mechanisms, as well as cooperative principles. This initiative also represents a space for innovation and skills development, where young people can network ideas, experiences and suggestions, actively contributing to the development not only of their bank, but of the wider economic and social fabric of their areas. The Youth Groups set up within Affiliated Banks thus serve to promote an inclusive and responsible banking model, capable of meeting the needs of new generations, creating a solid connection between young people and the Cooperative Credit system.

Initiatives supported by NEAM

In 2024, NEAM confirmed its social commitment by supporting numerous initiatives and charitable organisations, making a total contribution of EUR 65,000. There was a focus on social-inclusion projects, support for scientific research, cultural promotion and assistance to vulnerable groups. Relevant initiatives include:

- **Cooperativa Archè and Gardaseecharter** – Project SAIL ON: both organisations received a contribution of EUR 12,500 each, to support activities aimed at social inclusion of people with disabilities. The funds supported initiatives such as educational projects, adaptive sports and programmes to prevent early school leaving;
- **Coro Piccole Colonne association in Trento** NEAM supported this organisation with a donation of EUR 5,000, enabling participation in the European Children's Song Festival, a cultural event promoting creativity and artistic expression among young people;

- **Telethon Foundation:** a donation of EUR 10,000 was made to support scientific research into rare genetic diseases, helping to raise funds for innovative projects and the development of advanced therapies;
- **Chernobyl Children's Rights Forum:** NEAM donated EUR 5,000 for renovation of orphaned children's homes and for the purchase of school and health materials, with the aim of improving the living and learning conditions of the young people receiving assistance;
- **Associazione Gast Impresa Sociale - GAST.OUTDOOR Project:** with a donation of EUR 5,000, NEAM supported hiking and mountain-sports activities for people with physical or learning disabilities, promoting accessibility and inclusion through outdoor social experiences;
- **EUBREAST** (European Breast Cancer Research Association of Surgical Trialists): this association, which is committed to research in the fight against breast cancer, received a contribution of EUR 10,000, reinforcing NEAM's focus on women's health and cancer prevention;
- **DEBRA Family:** NEAM has allocated EUR 5,000 towards the organisation EB Camp 2025, an event dedicated to patients suffering from Epidermolysis bullosa, a rare genetic disease. The camp, planned for March 2025, will provide participants with recreation experiences and psychological support.

List of significant infrastructure investments and services supported that are provided primarily for public benefit

[ESRS S3 S3-4]

[ESRS 2 MDR-A]

The Cassa Centrale Group also contributed to the finalisation of pooled financial transactions that had a significant impact on communities, on local economies and the environment. Transactions finalised in 2024 included three pool-funded projects for a total amount of approximately EUR 44 million.

The first concerned EUR 30 million of pool funding issued with the aim of making transport more efficient in promoting sustainable development of the tourism sector in the Val di Fassa community. The project intends to replace strategic infrastructure connecting the valley with one of the main winter and summer tourism circuits in the area.

The new, technologically advanced infrastructure will significantly increase passenger-transport capacity, reducing waiting times and incentivising use of the funicular as an alternative to road transport. This will help to reduce vehicular traffic, with benefits in terms of lower CO₂ emissions and greater environmental sustainability.

The second project is aimed at revitalising the territory through investments in sustainable infrastructure and digital innovation. The funding is for the construction of new infrastructure that will improve transport capacity and optimise the user experience, significantly reducing waiting and travel times, especially during peak seasons. The project stands out for its strong focus on environmental sustainability, in line with the ESG and NRRP directives, helping to reduce environmental impacts and improve tourist access to the area.

Another initiative involved financing a sustainable logistics project for a consortium of 16 fruit-growing cooperatives. The project is rooted in environmental sustainability and the development of innovative practices (including the storage of apples in underground storage spaces, carved into the rock, reducing environmental impacts and energy consumption). The investment involves construction of a funicular system for the transport of goods, which will connect the processing centres with the underground storage spaces, and which will reduce road transport, lower CO₂ emissions and optimise logistical efficiency, with a positive environmental and economic impact. Furthermore, the consortium uses 100% energy from renewable sources, 11% of which is self-generated by photovoltaic panels, and the rest from hydroelectric power.

Community financial-education initiatives

[ESRS S3 S3-4]

[ESRS 2 MDR-A]

In the context of its financial education initiatives, the Cassa Centrale Group promotes training sessions for members and customers and others open to citizens and students, spreading awareness and a culture of responsible financial action.

Affiliated Banks organise targeted sessions, adapted to the needs of the areas in which they operate, sometimes involving external trainers, particularly in order to engage younger audiences. These events aim to raise participants' awareness of the principles of sustainable and responsible finance, offering practical tools for a more conscious handling of financial resources, with the aim of fostering informed and sustainable economic decisions.

Cassa Centrale Banca and its Affiliated Banks championed Financial Education Month (Edufin 2024), organising a series of events aimed at schools and local communities. In cooperation with several Affiliated Banks, educational initiatives were organised in high schools, with a specific focus on responsible and sustainable investment. These sessions offered students the opportunity to learn more about issues related to informed management of financial resources, fostering conscious and active involvement. Beyond schools, events were organised for the wider community, with the contribution of the Young Member Groups, which played an active role in promoting financial culture among citizens.

Financial education initiatives

FINANCIAL EDUCATION		31/12/2024
Number of financial education initiatives/training events organised during the year		331
Number of people involved in such initiatives		23,651

Metrics

Number of financial education initiatives/events: total number of individual initiatives completed in 2024. The table includes events run with the support of Cassa Centrale Banca and those organised independently by individual Affiliated Banks and Subsidiaries.

Number of people involved in financial education initiatives: total number of people who participated in such initiatives in 2024. The figure is based on attendance recorded at the events and, where not available, was estimated on the basis of invitations distributed and sign-ups.

Bitesize financial education

Through its Affiliated Banks, the Cassa Centrale Group launched the "A buon rendere" initiative, offering targeted financial-education content. Using short videos and detailed analysis, the initiative aims to provide useful tools for a better management of economic resources, raising awareness around financial issues relevant for daily life.

The first instalment, entitled "Saving: learn from your mistakes!", introduces an approach that values errors as part of the learning process in the management of income and expenditure. This project is part of the Cassa Centrale Group's broader commitment to disseminating financial culture.

In this context, the Group has run a series of Direct E-mail Marketing (DEM) campaigns with customers on a monthly basis starting in November and lasting a year. These messages present the different bitesize learning units. Each monthly DEM mail is carefully analysed, with particular attention paid to key metrics such as the open rate and the click-through rate on links to the dedicated landing page. Average time spent on the landing page is also monitored to assess the level of user engagement and interest. Joint analysis of these indicators enables progressive optimisation of the project, refining communication strategies and improving the initiative's effectiveness in disseminating financial culture.

At the end of this first reporting year, the Parent Company's ESG and Institutional Relations Department will launch a Group project on this issue for 2025, involving Affiliated Banks in the development of coordinated and effective actions, aligned with the needs of different areas.

Sustainable Finance Forum

Cassa Centrale Banca also became a member of the Sustainable Finance Forum ("FFS"), a multi-stakeholder non-profit association whose members include operators from the financial sector and other entities affected by the environmental and social effects of financial activities. The FFS mission is to promote awareness and best practices in sustainable investment, with the aim of disseminating the integration of ESG criteria into financial products and processes. This is a significant partnership that enables Cassa Centrale Banca to participate in dedicated forums and webinars and have a direct connection to the changes and implementations relating to this topic over the years, including in terms of trends and policies.

FFS membership confirms the importance the Group attaches to promoting Sustainable and Responsible Finance in an ever more relevant and structured way.

Inclusive finance and international cooperation

Within the framework of international cooperation initiatives and the development of inclusive finance, the training course "Innovation, Leadership and Governance for Cooperatives" was held in Trento, organised by Euricse in collaboration with Finanzas Inclusivas y Gobernanza (FIG) and ICORED, with the support of Cassa Centrale Banca.

The event was attended by representatives of Ecuadorian credit cooperatives, who had the opportunity to learn more about the specifics of the Italian cooperative model, with a focus on governance, innovation and leadership in the cooperative credit sector. The programme included theoretical training sessions with the involvement of academic experts and industry professionals, as well as institutional visits and meetings with Cassa Centrale Banca.

A central component of the course was the comparison between Italian and Ecuadorian cooperative credit models, highlighting best practices and strategies to foster sustainable growth of credit cooperatives in their respective economic and social contexts. The experience strengthened ties between the two entities and promoted international collaboration aimed at spreading cooperative principles and creating new opportunities for local development. This project aims to support cooperative culture at the global level, contributing to the formation of conscious and innovative leadership in socially oriented financial institutions.

Arms

[ESRS S3 S3-4]

[ESRS 2 MDR-P]

The Group has adopted an Arms Policy (hereinafter also the "Policy") with the aim of guiding, regulating and monitoring the types of counterparties, operations and countries with which it is permitted to engage in business relations, thus promoting a responsible approach to the issue of arms. This policy stems from the recognition that investing in the arms sector could indirectly generate significant negative impacts, not only socially, but also environmentally and economically. The Group recognises the potential risk that such investments may generate, albeit indirectly, in relation to conflicts, human rights violations or environmental damage.

Specifically, the Group groups counterparties into the two main categories below, setting specific operating limits for each.

- **Manufacturers of banned and controversial arms** (e.g. weapons of mass destruction, anti-personnel mines, chemical and biological weapons and cluster bombs): no relationship and/or transaction of a commercial nature (direct holding of equity investments, domestic banking transactions, banking transactions in support of the international arms trade) may be entered into in any way with counterparties that are involved in the production, development, marketing and stockpiling of weapons identified as “banned” and/or “controversial”;
- **Manufacturers of arms and weapon systems, small arms, hunting and sporting arms:** direct ownership of shares and stakes is not permitted. Domestic banking operations, on the other hand, are permitted, subject to due diligence — approved by the Board of Directors and repeated at least every five years — aimed at verifying that companies do not produce or market weapons identified as banned and/or controversial. Finally, banking transactions in support of the international arms trade are permitted subject to a request that the counterparties provide documentation enabling the Bank to make the necessary disclosures to the Ministry of Economy and Finance and providing they are made to “countries not subject to assessment”.

The Group’s operations are also governed by a classification of international counterparties with whom it is not possible to enter into business relations. Specifically, this assessment is based on the country of origin, as indicated by the United Nations.

The Arms Policy, and its updates, are approved by the Parent Company’s Board of Directors. The Policy applies to all Group Subsidiaries and Affiliated Banks, which are required to transpose and adopt it.

The Group’s commitment to the Policy is based on compliance with Law No. 185 of 9 July 1990 (as amended) concerning the “New Regulations on the Control of Exports, Imports and Transit of Arms”. Furthermore, in its relations with companies or third-party financiers in the arms industry, civil and military, the Group acts in accordance with its Code of Ethics and its Anti-Money Laundering Regulations. Whilst the Group is aware that it is impossible to completely exclude arms-related operations, especially in view of security and public-order requirements, it is committed to operating with an ethical, responsible and balanced approach.

Cassa Centrale Banca organised working groups involving the functions concerned to update the policy and bring it into line with the provisions of Law 220 of 9 December 2021, which stipulate that — in addition to the ban on direct holdings of equity investments, domestic banking transactions and transactions supporting the international arms trade — no financing transactions may be carried out by companies engaged in the production or sale of anti-personnel mines, cluster munitions and submunitions, of whatever nature or composition, or parts thereof. The Group then updated the Arms Policy, which was approved by the Parent Company’s Board of Directors in February 2025, on the basis of the working groups and regulatory requirements.

The Group’s Arms Policy is available and can be consulted on the corporate website www.cassacentrale.it in the “Sustainability” section, under ESG Policies.

ZeroArmi

The Cassa Centrale Group joined the “ZeroArmi” initiative, which represents the first tool for assessing Italian banking exposure to the arms industry. The initiative is a collaboration between Fondazione Finanza Etica and the Rete Italiana Pace e Disarmo, organisation, with involvement of major Italian Banks. “ZeroArms” assesses Banks’ involvement through a matrix of indicators that consider direct loans, equity investments and logistical support for the export and sale of arms. The initiative emphasised transparency and critical dialogue with banking institutions.

In the publicly available report, the Cassa Centrale Group received one of the highest scores of all participants and demonstrated minimal involvement with regard to exposure in the arms industry. This was made possible by adhering to standards that exceed the minimum requirements of current regulations, as well as by the history of the Group, its strategy and the values and principles on which it is founded.

3.2.4 Targets on affected communities

[ESRS S3 S3-5]

[ESRS 2 MDR-T]

The Cassa Centrale Group, as a Cooperative Banking Group, has a defining characteristic that the regulations recognise as essential: the vocation of individual Affiliated Banks to support and enhance the local communities in which they operate. This characteristic allows each Bank to maintain a close link with its local area, promoting initiatives in line with the specific needs of citizens, small businesses, associations and local administrations.

Affiliated Banks engage independently with their communities, adapting their actions to local needs, so as to ensure continuous dialogue and effective support. On this basis, the Parent Company does not define centralised Group objectives, but leaves room for the independence of individual Affiliated Banks so that they can establish their own actions based on local priorities, with specific budgets dedicated both to community support and to the development of local initiatives. Over the years, Affiliated Banks have consolidated a number of activities that are repeated on an annual basis, such as participation in Financial Education Month and support for events for citizens fostering social cohesion and strengthening community relations.

3.3 Consumers and End-Users

ESRS S4

3.3.1 Strategy: Impacts, risks and opportunities

[ESRS S4 SBM-3]

Through its double materiality analysis, the Cassa Centrale Group has identified and assessed material impacts and opportunities in relation to consumers and end-users. With regard to this information and for further details, please refer to section “1. General Disclosures”, chapter “1.4 Management of Impacts, Risks and Opportunities”, paragraph “1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model”. The stakeholders subject to impacts and opportunities are all of the members and customers of Affiliated Banks and the customers of Cassa Centrale Banca and the Group’s instrumental companies, who have access to financial and banking products and services requiring specialised advice and access to information. More specifically, these are identified via the MiFID questionnaire, filled out pursuant to current legislation. These issues will be explored further in this chapter.

Customers categories that can benefit most from the positive impacts generated by the Group are:

- those on low incomes and at risk of social and financial exclusion;
- vulnerable individuals (e.g. students, women and the elderly);
- subjects with disabilities;
- micro-entrepreneurs and start-ups;
- social organisations.

Risks and opportunities

Due to its cooperative nature, the Cassa Centrale Group does not present significant ESG risks for consumers or end-users.

Local dynamics may influence operations, but do not constitute a direct risk for customers due to the active policies adopted. Client-members of Affiliated Banks’ enjoy preferential conditions and a decisive voice with regard to strategy, thus providing extensive benefits to the community and contributing to the Group’s stability. However, the Group assumes risk by offering loans, particularly with real-estate financing, in situations where customers are unable to meet their payment obligations: a combination of strict legislation and formalised credit-risk management processes ensures that these risks are limited and manageable. For more information on risks related to the Group’s business, please refer to chapter “6. Risk management and internal control system” in the Report on Operations.

On the other hand, the positive impacts generated in relation to consumers and end-users can be translated into opportunities, contributing to consolidation of the Group’s strategic market positioning, thanks to:

- greater credibility in the marketplace, also in relation to security and privacy issues;
- increased revenues driven by greater numbers of customers and new products and services offered;
- strengthening of ownership structure, supported by a stronger brand reputation, better ESG rating results and initiatives aimed at members and customers.

A further tool for engagement is represented by the **Directors’ Committee**, whose task is to share Group management decisions, gather input and proposals and contribute to the implementation of a shared strategy. The Chief Executive Officer chairs the Directors’ Committee, ensuring constant impetus for its work. During 2024, 6 Committee meetings were held, confirming its central role in the Group’s decision-making process.

Members

Cooperative Credit Banks, Rural Banks and Raiffeisenkassen Affiliated Banks of the Cassa Centrale Group place localism and mutuality at the centre of their operations. Affiliated Banks, as credit cooperatives, do not aim to maximise dividends but to make products and services available to their cooperative members on favourable terms, promoting solidarity and active participation.

This promotes a model of economic democracy rooted in mutuality and deep ties with the local area. The intrinsic social value of this local strategy is embodied in the ongoing support of local communities and commitment to collective well-being, reflecting a determined effort to work towards the common good.

Members are a direct expression of the local area: to be a member, it is essential to reside or continuously carry out one's activities in the area served by the Bank. Each member, in accordance with the principle of one-person-one-vote, has the right to one single vote at the Annual General Meeting, regardless of capital held, which may not in any case exceed EUR 100,000.

The minimum number of cooperative members is set at 500. In addition to benefiting from favourable conditions on banking products and services, cooperative members have access to a set of benefits that has broadened over time other spheres.

The Annual General Meeting represents the key meeting with members. Specific meetings (e.g. pre-meetings, local meetings, and, where present, presentation of the social or alignment report) may be held alongside the Annual General Meeting. These events are held by the Board of Directors of the Affiliated Banks, in particular by the Chairman of the Board of Directors and the Bank Director, and are also attended by the Bank's executive management.

Many Affiliated Banks have developed additional tools for dialogue and interaction with their membership base. One notable example is the commitment of 19 Banks²³ to the younger generation through the establishment of groups aimed at young members. The various sharing mechanisms activated include periodic meetings organised by 12 Banks with small groups of members in preparation for the Annual General Meeting. In other cases, special bodies such as the Members' Council and Local Committees have been set up within the Banks.

As at 31 December 2024, the total number of Affiliated Banks' cooperative members stood at 488,050, with an increase of 13,594 units (+2.87%) compared to 2023. During the year, 25,409 new members were registered, of which 7,186 were under the age of 30.

²³ The data was gathered from the Best Practices Questionnaire in cooperation with Euricse. Please refer to section "1. General Disclosures", chapter "1.3 Strategy", paragraph "1.3.2 Interests and views of stakeholders".

Cooperative members

MEMBERS BY TYPE	UoM	31/12/2024
Natural persons	no.	449,420
Companies, Associations and Others		38,630
Sole traders		1,347
Partnerships		12,366
Limited liability companies		20,640
Joint-stock companies		1,582
Cooperatives		1,300
Associations, Other Bodies and Remaining entities		1,395
Total		488,050

NATURAL PERSON MEMBERS, BY GENDER	UoM	31/12/2024
Men	no.	283,178
Women		166,242
Total		449,420

PARTNERS BY GEOGRAPHIC AREA OF RESIDENCE	UoM	31/12/2024
Trentino-Alto Adige	no.	121,658
North East		106,908
North West		121,735
Central		103,431
South		33,326
Foreign		992
Total		488,050

NATURAL PERSON MEMBERS, BY AGE	UoM	31/12/2024
Under 30	no.	28,171
Between 30 and 50 years		114,883
Between 50 and 70 years		189,124
70 years and above		117,242
Total		449,420

MEMBERS BY SENIORITY (REFERRING TO MEMBERSHIP STATUS)*	UoM	31/12/2024
Less than 5 years	no.	92,222
Between 5 and 10 years		82,849
Between 10 and 25 years		216,273
25 years and above		96,706
Total		488,050

* from the date on which they became a member

Metrics

The data in the tables are based on information in the Group's management systems and refer to the number of actual number of members in each category as at 31 December of the year in question. Any changes during the year result from members joining or leaving, with a breakdown by gender, age, geographical area and legal type. Data may be subject to limits linked to the quality and completeness of the information declared by the members themselves.

The categories and descriptions used in the tables are clearly structured and consistent with the terminology commonly used in management and analysis. Subdivision by age, seniority of relationship and type of member are defined in such a way as to ensure unambiguous interpretation of this information.

Since the metrics refer to the number of members, the unit of measurement used is the absolute number.

For detailed metrics (e.g. General details, etc.), active members as at 31 December 2024 were considered. For new members who joined during the year under the age of 30, age at the time of joining was considered.

Customers

The Cassa Centrale Group builds its strategy around the consumer, adopting an approach based on listening, transparency and active involvement. The widespread presence of the Cassa Centrale Group, with bank branches located even in small towns, guarantees direct and continuous contact with customers and local communities. This proximity allows Affiliated Banks to identify and swiftly respond to emerging needs, translating them into targeted solutions.

Banks' customers

CUSTOMERS	UoM	31/12/2024
Natural persons		2,062,523
Legal entity/legal person		319,802
<i>Sole traders</i>		138,028
<i>Partnerships</i>		61,505
<i>Limited liability companies</i>	no.	110,528
<i>Joint-stock companies</i>		4,275
<i>Cooperatives</i>		5,355
<i>Foreign corporation</i>		111
Total		2,382,325

CUSTOMERS WHO ARE NATURAL PERSONS, BY GENDER	UoM	31/12/2024
Men		1,038,176
Women	no.	1,024,347
Total		2,062,523

CUSTOMERS WHO ARE NATURAL PERSONS, BY AGE	UoM	31/12/2024
Under 30		300,664
Between 30 and 50 years		550,258
Between 50 and 70 years	no.	759,371
70 years and above		452,230
Total		2,062,523

In addition to these customers, there are 107,573 third-sector entities and other residual categories (excluded from the definition of customer in the Group's Target Distribution Model).

Metrics

The data in the tables is based on information drawn from the Parent Company's Commercial Management system and represents the actual number of customers broken down by legal type, gender and age as at 31 December of the reporting year. Methodological limitations may affect the quality and current accuracy of the information provided by the customers themselves.

The categories in the tables follow a clear and agreed classification and customers are grouped by legal type (natural persons, legal persons), by gender and by age category. This enables in-depth analysis of the customer base.

Data is expressed as absolute numbers, representing the actual count of customers in each category. A customer is any individual who holds a current account or savings deposit or an asset-management product.

The Group employs a structured method to monitor and analyse customer needs, starting with the branches and ending with the commercial committees established within the Parent Company. This ensures that the Group's products and services are constantly aligned with the real needs of customers. The customised approach is further enhanced by commercial segmentation and the use of advanced tools such as CRM (Customer Relationship Management) systems for product and service design and development.

The relationship with customers, members and other stakeholders is also developed through innovative digital tools, targeted marketing strategies and social engagement initiatives. In fact, the digital presence is a central pillar in the Group's strategy, complementing the Affiliated Banks' local networked reach. The institutional website www.cassacentrale.it serves as an information hub, presenting the Group's identity and values, directing customers to Affiliated Banks and providing access to product portals. This is complemented by a number of specialised digital platforms, including:

- **Prestipay** for consumer loans (www.prestipay.it);
- **NEF** for management of investments (www.nef.lu and **MyNEF** for monitoring of positions);
- **Assicura** for Insurance products (www.assicura.si and **MyAssicura** for policy management);
- **Claris Leasing and Claris Rent** for leasing and rental solutions (www.clarisleasing.it and www.clarisrent.it).

Investment in cutting-edge technology ensures an intuitive and secure digital experience, strengthening the connection with consumers and facilitating access to services.

In addition, an interactive channel for dialogue on the dedicated section of the www.cassacentrale.it website is planned to enable direct communication with stakeholders.

Affiliated Banks, while also utilising centralised communication tools, emphasise their proximity to their areas, using local channels that reflect their personalised approach and focus on direct relations with customers. The management and executive bodies of Affiliated Banks and Subsidiaries are informed regarding key customer concerns and requests to guarantee a swift response.

To ensure high service quality, the effectiveness of actions is monitored by specific indicators, including:

- **waiting times**, measuring the responsiveness of support and assistance provided;
- **customer feedback**, collected through surveys and questionnaires to assess service levels;
- **number of complaints**, with an analysis of the volume of reports received and the time frame for their resolution;
- **use of technological support**, to monitor the use of online banking services and customer satisfaction regarding the quality of digital support;
- **error rate**, to detect the percentage of anomalies in transactions and the speed with which they are corrected.

Stakeholder engagement represents a crucial factor for assessing the actions undertaken and increasing Customer trust in the Group. Of the customer satisfaction indicators, the growth in bank deposits and the increase in loans, despite an economic context characterised by uncertainty, can also be considered a valid measure of customer confidence in the work of the Cassa Centrale Group.

For more information on the involvement of members and customers, please refer to section “3. Social Information”, chapter “3.3 Consumers and End-Users”, paragraph “3.3.3 Access to Products and Services”.

3.3.2 Impacts and reporting channels

[ESRS S4 S4-3]

[ESRS S4 S4-4]

The Cassa Centrale Group’s members and customers are protected by the **Code of Ethics** and the **Cooperative Credit Charter of Values**, which enshrine the principles of integrity, transparency and responsibility to which the entire organisation adheres. For further details, please refer to the section on “4. Information on Governance” in chapter “4.1 Business Conduct”, paragraph on policies “4.1.2.2 Corporate culture and business conduct policies”, as well as the full document available on Cassa Centrale Banca’s website at www.cassacentrale.it in the Information on Governance section.

In addition to the Code of Ethics, the Group has developed a set of internal policies for credit management and investment selection, including rigorous procedures for the evaluation of loans and selective investment criteria that prioritise not only economic return, but also social and environmental benefit. Through internal regulations and procedures, the Group ensures that all activities are conducted fairly and transparently, with a strong commitment to ethics, social responsibility and respect for fundamental rights. To strengthen this protection, the Group has implemented a structured complaints management system, providing customers with clear and accessible tools to report any issues.

Managing Complaints

The Cassa Centrale Group pays close attention to any reports and complaints it receives, as they represent an opportunity to improve the quality of its products and services. All customers and members have the opportunity to express their opinions and report any critical issues through dedicated and accessible channels. Constant dialogue with Affiliated Banks, their customers and Subsidiaries enables real-time monitoring of their needs and expectations, facilitating an active approach to complaint management.

In order to ensure an effective and structured handling process, the Group has adopted **Group Procedures on the Handling of Complaints** and a related **Operational Procedure**, governing how complaints are received, analysed and responded to. For instances of non-compliance with policies and regulations, a whistleblowing reporting system has also been set up for reports of alleged violations of national and European Union regulations, as well as the principles contained in the Organisational and Management Model adopted pursuant to Legislative Decree No. 231/2001. Implementation and enforcement will be discussed in more detail in section “4. Information on Governance”, chapter “4.1 Business Conduct”, paragraph “4.1.2.2 Corporate culture and business conduct policies”.

Supporting this process, an IT application has been implemented for complaint logging and management, enabling complete traceability and more efficient handling of reports. In addition, a specific procedure is in place for verbal complaints. The model adopted by the Group supports:

- efficient, prompt and uniform management of reports;
- identification of any inefficiencies or anomalies in the activities of the Parent Company, Affiliated Banks and Subsidiaries;
- improvement in the quality of the services offered and relationships with customers;
- prevention of litigation and the mitigation of reputational risks.

The **Complaints Department**, which operates independently of the functions responsible for marketing products and services, is within the General Counsel Department and plays a central role in ensuring effective handling of complaints. Its activity include:

- **supporting Affiliated Banks and Subsidiaries** by providing advice and operational guidance on complaint handling;
- **direct management of complaints within the Parent Company's remit**;
- **actions regarding specific complaints**, according to type and amount, also for Affiliated Banks and Subsidiaries;
- **monitoring and control**, verifying the compliance of complaint management with current regulations;
- **analysing the performance of reports**, with particular attention to the decisions of the Arbitrator for Financial Disputes (ABF), to prevent potential litigation.

The Parent Company's Compliance Department has continuous access to the complaints log and to data on management of reports. In addition to monitoring the complaints received and corresponding responses, the Compliance Department periodically submits a report to corporate bodies on the overall situation of the reports, highlighting any critical issues and proposing corrective actions to mitigate non-compliance risks.

The Group Regulation on Complaints Management stipulates that Affiliated Banks must prepare an annual report on complaints received, while the Parent Company prepares a consolidated Group report. Both reports feed into the Compliance Department's annual report for Affiliated Banks and the Parent Company, respectively. In addition, both Affiliated Banks and the Parent Company transmit their respective reports to corporate bodies through a dedicated information flow.

Finally, the Parent Company's Internal Audit Department periodically verifies proper functioning of the complaints management process, ensuring that the structures in charge of handling complaints operate in compliance with legal and regulatory provisions.

In 2024, there were 1,231 complaints filed by Group customers, with 1,233 processed (via sending of an acknowledgement communication). During the year, 1,206 complaints were resolved/filed, 102 of which received in previous reporting periods. Of all complaints received in 2024, 54.5% regarded banking services (671) while 37.8% regarding credit/loan services (466). The rest referred to investment, insurance and other products.

Complaints are handled according to industry regulations and each Bank must respond to the customer within the prescribed time limits, which are differentiated according to the nature of the complaint. The average resolution time for complaints to Cassa Centrale Banca in 2024 were 29 days for complaints about banking and financial products and services, 8 working days for complaints about payment services, and an average of 13 days for complaints regarding investment services, equating to an overall average of 8 days, which is within regulatory limits.

Customer complaints

NUMBER OF COMPLAINTS SUBMITTED THROUGH FORMAL COMPLAINTS HANDLING SYSTEMS, CONCERNING ISSUES RELATED TO SOCIAL IMPACTS	UoM	31/12/2024
Received during the reporting period		1,231
Processed during the reporting period		1,233
Filed/resolved during the reporting period		1,206
of which received in previous reporting periods and resolved during the reporting period		102
Number of actions taken or corrective plans by type for cases filed/resolved in the year:		
<i>disciplinary measures pursuant to the national collective bargaining agreement applied or the internal disciplinary system</i>	no.	3
<i>procedures or other organisational measures (e.g. modification of existing procedures and/or processes)</i>		22
<i>other methods (e.g. Repayments to customers)</i>		160
<i>no corrective action or plan as the complaint was rejected or withdrawn</i>		1,021

Metrics

Complaints are recorded through formal management systems and classified according to the main reasons reported by customers. The analysis considers both complaints received in the reporting period and those received in earlier periods but resolved subsequently. Information includes the number of complaints received, processed and filed/resolved.

Figures are expressed in absolute numbers and represent the actual count of complaints and actions taken, divided by category as at 31 December 2024. Complaints for which an acknowledgement communication was sent are considered as processed.

Again in 2024, no serious human rights problems or incidents related to consumers and/or end users were reported.

NEAM and the complaints procedure

The information required on impacts and reporting channels can be found in the Complaints Handling Policy document that NEAM has implemented, published and keeps constantly updated. Those who have formally filed a complaint through the procedure described in the Policy have the option of following the out-of-court procedure with the Luxembourg Supervisory Authority. NEAM keeps an up-to-date complaints register with details on the complainants, their complaints, their resolution and measures adopted. This register is kept in protected, electronic format. On an annual basis and no later than 31 May, the Management Company must provide the CSSF directly with a report on the number of complaints handled by the Management Company, as well as an account of complaints, measures taken to handle them and the list of third parties authorised to handle complaints.

Complaint management at Prestipay

Prestipay adopts a transparency and customer-centric approach, implementing dedicated tools and channels to ensure continuous dialogue with consumers and end-users.

The company constantly monitors the target market, verifying the adequacy of its products and services in relation to customer needs. In addition, it has developed a complaints management system that allows customers to report any issues quickly and efficiently.

To improve the customer experience, Prestipay gather verified online reviews and promotes periodic surveys to assess the fairness of the sales process, including insurance distribution, and levels of customer satisfaction.

Consumers can interact with Prestipay through various channels, including:

- a dedicated telephone number for direct contact with inhouse Customer Services;
- a Customer Reserved Area, featuring a chat service for immediate and personalised communication;
- an insurance survey, to collect feedback useful for continuous improvement of services.

All information on communication channels is available on the Company's websites and included in the contractual and pre-contractual documentation provided to customers, ensuring clear and immediate access to contact and support channels.

Allitude Quality Management System

Allitude adopts a Quality Management System (QMS) in accordance with UNI EN ISO 9001:2015. The Quality Policy, defined by Allitude's Management, guides the company's commitment to the continuous improvement of company performance, particularly with regard to services offered and its operating context. This policy is based on the fulfilment of regulatory requirements and the satisfaction of customer needs, as outlined in the strategic policy documents.

Cassa Centrale Banca also obtained **UNI EN ISO 9001:2015** certification for its Quality Management System, attesting to its compliance with the highest international standards. The certification covers the design, provision and support associated with treasury services for Public Entities (IAF32) and the design and provision of training services for banks (IAF37), confirming the Bank's commitment to offering its customers efficient and high-quality solutions.

3.3.3 Access to products and services

[ESRS S4 S4-4]

[ESRS 2 MDR-A]

The Cassa Centrale Group is committed to ensuring widespread and inclusive access to banking services, combining digital innovation with a physical presence across the areas in which it operates. This makes it possible to meet the needs of a highly varied clientèle, offering flexible solutions to facilitate banking operations, both in urban areas and in areas less comprehensively served by other financial institutions.

The widespread presence of Affiliated Banks guarantees direct and continuous access to financial services, offering a point of reference for citizens, businesses and Public Authorities. Branch staff ensure qualified support, facilitating immediate interaction and access to personalised assistance. Contrary to the prevailing trend in the banking sector, which has seen a reduction in physical access points, the Group has chosen to maintain a solid network of branches, strengthening proximity to customers and ensuring the availability of essential services to those who prefer direct contact for their banking needs.

This proximity has even greater value for people who, for various reasons, do not use digital tools such as Internet banking and prefer to interact directly with bank personnel. For more information on the bank's local presence, please refer to the section "3. Social Information", chapter "3.2 Affected Communities", paragraph "3.2.2.2 Processes for engaging with affected communities".

The Inbank platform

Inbank lies at the heart of the Cassa Centrale Group's commercial evolution, with the possibility to develop customer interaction models based on digital and remote-access logics. This approach overcomes the limitations of an exclusively branch-centred relationship, offering a more flexible and accessible experience.

Following the innovation pathway already established, a dedicated evolution programme, integrated in the Group Strategic Plan, has been defined to ensure constant improvement of digital services and user experience. In addition to the introduction of new features, activity continued to update and support Affiliated Banks in the Digital Banking and Inbank areas. To this end, promotional material and video tutorials were distributed to illustrate key innovations in a simple and immediate manner, helping customers to become more independent in their use of the platform. New videos were introduced in addition to those already produced and shared by all Affiliated Banks on their websites, with the aim of promoting financial education and training.

Accessibility assessments were carried out for both touchpoints (app and web), with the aim of understanding the level of compliance, identifying non-conformities requiring intervention and drafting the document for the Accessibility Statement on official Inbank channels, following the standard and AGID guidelines. They were also carried out to enable optimisation in assessment of the actual effectiveness of remediation actions.

The 2024 Accessibility Assessment for the Inbank App provided relevant data regarding compliance with accessibility standards set out by the Accessibility Act. For iOS, out of 74 criteria considered, 45 were found to be compliant, with an increase of 33.3% in criteria compliant with the EN301549 standard compared to 2023, while non-compliant criteria decreased by 40.8%. For Android, of the 74 criteria considered, 46 were compliant, an increase of 36% of criteria compliant with the standard, while non-compliant criteria decreased by 39%. Standard EN301549, which supports the European Accessibility Act, defines accessibility requirements for ICT products and services, based on international guidelines such as the WCAG (Web Content Accessibility Guidelines). Furthermore, the working group has carried out various activities aimed at ensuring the accessibility of Inbank's digital channels in an increasingly effective and clearly defined way, including:

- technical assessment of digital channels through expert analysis, with updates of accessibility statements;
- migration of almost all Affiliated Banks' institutional sites to MyCMS, allowing centralised control over accessibility standards;
- improvement of accessibility of the Inbank App with new features and the release of an update in November 2024 for automatic font resizing;
- start of activities to improve accessibility of Inbank Web, with analysis of existing barriers and remediation plans;
- official communication of accessibility guidelines to all Affiliated Banks, providing a clear reference for the development of new digital projects;
- participation in multidisciplinary teams (working groups, Italian Banking Association groups) to coordinate activities and share best practices.

Physical security

Recognising the need to monitor the physical security of people and corporate assets at a centralised level, the Cassa Centrale Group has equipped itself with a Corporate Security Office dedicated to this purpose. This structure has been assigned the task of establishing processes and services aimed at raising the level of protection against physical threats to people, customers and corporate assets.

During the reporting year, this office began the creation of an industry-specific document framework integrating the Group Security Policy and defining security and access-management measures for all Group offices, facilities and buildings in general.

The Policy and its updates are approved by the Parent Company's Board of Directors, on the proposal of the Information Technology and Security Department, and apply to the Parent Company, Affiliated Banks, other Companies of the Banking Group and other Companies of the Corporate Group that provide or use the Group's ICT systems or services.

The Group has also adopted a Group Procedure on Physical Security Measures, which defines physical security standards for the protection of corporate assets, integrated with logical security measures. Key actions include:

- creation of a Group Security Control Room to centrally manage physical security events and to centralise the management of alarms and video-surveillance;
- development of a methodology and creation of a technological tool for security risk assessment and management;
- outlining and initiation of internal security intelligence activities aimed at analysing specific threats.

Finally, it adopted the Group's Physical Access Management Procedure, which regulates modes of access to company premises, ensuring the protection of people, data and tangible assets.

3.3.4 Confidentiality

[ESRS S4 S4-4]

[ESRS 2 MDR-A]

Cybersecurity and business resilience

The Cassa Centrale Group adopts an integrated approach to cybersecurity to ensure the confidentiality, integrity and availability of information, protecting sensitive data and banking systems from cyber threats. Using advanced technologies, structured processes and a team of specialists, both preventive and response-based security measures are implemented, reducing the risk of attacks and ensuring the reliability of financial services.

Alongside this, the Business Resilience Function has developed a Business Resilience Plan, aimed at monitoring and managing potential adverse scenarios that could compromise the provision of services to customers. The plan defines specific response strategies to ensure business continuity, reduce possible disruption and mitigate impacts on consumers. These strategies undergo periodic testing, ensuring constant updates and high responsiveness to potential critical events, with a focus on prevention and prompt intervention.

In addition, in the event of operational, security or ICT incidents related to services provided by the Parent Company, Banks or Affiliated Companies, including those related to instruments such as POS terminals and ATMs, also used by non-customers, the Group adopts a structured procedure to ensure swift and effective management of critical events. The Group's Procedure for the management of such incidents aims to minimise operational impacts, ensure the swift restoration of services and analyse causes in order to prevent recurrence of similar events.

The Allitude Business Continuity Plan

In accordance with current Group and external regulations, Allitude has implemented a Business Continuity Plan to ensure business resilience in the event of operational disruption. The plan is structured for a quick response to emergency situations, enabling the recovery and restoration of business operations at predefined levels. It covers all resources, services and activities necessary to ensure the continuity of critical organisational functions.

The Business Continuity Plan, together with its Annexes (including the Disaster Recovery Plan), is reviewed and updated annually, ensuring its effectiveness and adaptation to changing business and regulatory requirements. The update in 2024 represented an opportunity to optimise and integrate various aspects, taking into account evolution of the internal and external context, as well as the outcomes of the Business Continuity analyses (Business Impact Analysis - BIA and Risk Impact Analysis - RIA).

Updates to Business Continuity documentation in 2024 are derived from the following inputs:

- update of the Business Continuity Analyses, i.e. the BIA and RIA, conducted in first half of the year. The BIA analysed 104 business processes, identifying 34 critical processes, while the subsequent RIA, carried out with the support of the Risk and Control Office, did not identify any high or critical risks. However, some medium-level risks were identified, mainly related to the unavailability of critical suppliers and the need to strengthen the third-party management process (clauses, risk assessment, etc.). In addition, complete unavailability of personnel was confirmed as a residual risk not managed in the Business Continuity Plan;
- alignment with Parent Company documents currently in force, including the provisions contained in the Group Regulations and the templates of the Business Continuity Plan and Annexes;
- measures based on ECB findings that emerged from the Cyber Resilience Stress Test 2024 (CRST) and the Targeted Review on Cyber Resilience (TRCR), with particular reference to the introduction of cyber attacks among unavailability scenarios in the Business Continuity Plan and Disaster Recovery Plan, as well as strengthening of backup recovery procedures;
- updates to changes in context: both internal (e.g. reorganisation of Allitude's offices, decommissioning of the Cuneo Data Centre) and external (evolution of cyber threats, regulatory updates, etc.).

Key areas of intervention are indicated below.

- Roles and responsibilities: the Emergency and Crisis Committee was restructured to optimise responsibilities in the different cases of application, while the Local Emergency Unit was integrated into the Committee, simplifying management.
- Business Continuity Solutions: the measures in the Plan and Annexes were updated to incorporate the results of BIA/RIA processes, the requests of Process Owners and the results of continuity tests. They were also adapted to recent technological and organisational changes, such as migration to VOIP technology and decommissioning of the Cuneo Data Centre.
- Process optimisation: escalation procedures, stakeholder engagement and operational-impact management were reviewed and simplified, both at Group and non-Group level. The procedures for resuming normal operations and communication were also updated to ensure greater consistency with the new decision-making flows.
- Introduction of cyber attacks as an unavailability scenario: in response to the ECB's findings and current regulations, the Business Continuity Plan and its Annexes now include the scenario of unavailability caused by a cyber attack, reflecting the increase in cyber threats.

- Updating of Annexes: the contents of the Annexes, including contact and distribution lists, the list of critical processes and management of residual risks, were adjusted to reflect changes to the Plan and the results of the preparatory analyses conducted in 2024.

Privacy and Data Protection

[ESRS S4 S4-1]

[ESRS 2 MDR-P]

[ESRS MDR-A]

[ESRS 2 MDR-M]

The Group adopts a structured data-privacy and security-management system, ensuring compliance with Regulation (EU) 2016/679 (GDPR) and guaranteeing compliant and secure processing of information. Given the highly sensitive nature of data processed in the banking sector, advanced protection measures are implemented to prevent unauthorised access, guarantee the confidentiality of information and ensure customer confidence.

Affiliated Banks and Group Companies process personal data that involve large-scale monitoring and management of highly confidential information. To prevent risks and ensure compliance with regulations, the Group has adopted a **Personal data processing regulation**, which provides instructions for all parties involved in data processing. Compliance with the GDPR is regularly monitored, ensuring that security measures are updated and constantly improved.

To further strengthen security and compliance, the Group has implemented:

- **procedures for selecting and appointing data processors**, ensuring an efficient and transparent process;
- **processes enabling data subjects to exercise their rights**, ensuring simple and uniform access to personal data;
- **management methodologies for Privacy by Design and Privacy by Default**, limiting data accessibility only for strictly necessary purposes;
- **management procedures for data breaches**, with a clear definition of cases requiring reporting to the Data Protection Officer (DPO) and the Data Protection Authority.

The Data Protection Officer (DPO), appointed by the Parent Company, ensures compliance and coordinates compliance activities, supported by a dedicated interdisciplinary team. Each Affiliated Bank has identified the Parent Company's DPO as the appointed data protection contact person and has designated an internal Privacy Contact Person, who liaises with the central structure.

The contact details of the DPO are published on the websites of Affiliated Banks and included in the official documentation, in accordance with the provisions in force.

In 2024, 110 events leading to breaches of customer privacy were recorded. Of these, 107 were events detected by the Organisation, while 3 were identified following reports made by third parties and subsequently confirmed by the Organisation. There were no consequences for the data subjects as a result of these events, and it was not necessary to notify the Data Protection Authority or the data subjects themselves.

Customer privacy

NUMBER OF SUBSTANTIATED INCIDENTS/COMPLAINTS RECEIVED CONCERNING BREACHES OF CUSTOMER PRIVACY	UoM	31/12/2024
Events identified by the organisation	no.	107
Complaints received from external parties and confirmed by the organisation		3
Total		110

Privacy at Allitude

Allitude has adopted and implemented a management system for the processing of personal data aimed at controlling risks and, on a case-by-case basis, adopting the security and technical-organisational measures appropriate for the protection of personal data and, consequently, the rights of Data Subjects.

The controls adopted are designed to safeguard, also indirectly, the protection of Allitude personnel and eliminate practices that are generally detrimental to the rights of Data Subjects.

Allitude carries out assessments on a case-by-case basis to evaluate the adequacy of its systems. The Company is subject to audits regarding its processing of personal data and strives, through voluntary certifications, to certify the compliance even of a portion of relevant processes in the handling of personal data (e.g. ISAE 3402 certification).

Metrics

The detection of privacy violations is carried out via internal monitoring and reporting systems, which include events identified directly by the organisation and complaints received from external parties and subsequently confirmed. Possible methodological limitations may result from the complexity of investigations and the variability of reports.

Data are expressed in absolute numbers, showing the actual count of identified and confirmed violations, divided by identification method, as at 31.12.2024.

Commitment to fight digital fraud

[ESRS S4 S4-4]

The Cassa Centrale Group adopts a structured approach to the digital security of its customers, combating computer fraud and promoting an informed use of digital tools. To strengthen protection against cyber attacks, the Group has introduced several initiatives in cooperation with specialised bodies and institutions.

One key initiative is its agreement with the **National Cybercrime Centre of the Italian Postal Police Force**, aimed at preventing and countering digital threats, protecting customers and users of online banking services. In addition, the Group is part of the **“I Navigati”** campaign, run by CERTFin in cooperation with the Bank of Italy, ABI, IVASS and the State Police, to raise user awareness of the risks associated with digital fraud and cyber attacks.

Cassa Centrale Group Cybersecurity Awareness Campaign: “I Navigati” campaign

The Cassa Centrale Group has launched campaigns to raise customer awareness regarding the secure use of digital tools and to increase their knowledge, particularly targeting those over 45, helping them to protect themselves in the face of growing threats. Again in 2024, it confirmed its participation in the communication campaign on cybersecurity run by CERTFin (CERT Finanziario Italiano) in collaboration with the Bank of Italy, ABI, IVASS, and the State Police, and sponsored by the Italian Data Protection Authority and the National Cybersecurity Agency, with the support of Meta.

The third edition of the campaign, entitled “I Navigati”, focused on the target group of retail customers, with a particular focus on issues related to computer fraud. The aim was to educate citizens to recognise online fraud and adopt correct conduct for safe and secure use of the Internet. The campaign ran from October to December 2024, across various platforms, including the dedicated website <https://inavigati.certfin.it>, which pooled information materials on the main cyber threats.

The Cassa Centrale Group’s participation in the campaign was the result of a joint collaboration between the Marketing, Security and Resilience, and Human Resources departments. The campaign was centred around the slogan “I Navigati – Informatica e Sicuri” (where *navigati* is a play words referring both to “browsing” and “being well versed”), with the aim of raising awareness of the importance of online security, i.e. being cybersecurity-savvy and aware.

The focus of the third edition was on threats using impersonation, visually highlighting the figure of the fraudster, with the aim of altering perception of reality with regard to online scams. The phrase, “Scams have a thousand faces. Learn to recognise them”, invites users to become part of a expert cybersecurity “super family”, the “Navigati” family, with the mission of promoting informed and safe use of new technologies and digital channels.

In addition to prevention and training, the Group integrates advanced security systems into its digital offering, with the aim of ensuring secure browsing on Inbank and its other online services. Measures include secure authentication tools, monitoring systems to detect suspicious activity, and continuous updates of IT security protocols.

To reduce the risk of fraud, the Group invites its customers to take several essential precautions:

- never share credentials, PINs or confirmation codes, not even with the bank or customer services;
- avoid clicking on suspicious links received via email, SMS, chat or social media that request the input of personal data;
- protect devices by installing up-to-date software and downloading banking applications only from official sources.

3.3.5 Access to quality information and responsible business practices

Transparency of banking and financial products and services

[ESRS S4 S4-1]

[ESRS 2 MDR-P]

[ESRS 2 MDR-A]

The Group has adopted the Regulations **on Transparency of Banking and Financial Transactions and Services** which formalises and governs the internal procedures aimed at ensuring, in line with the Bank of Italy Transparency Provisions, that at every stage of the offer of the products, constant and specific attention is paid to the transparency of the contractual terms and conditions, to fair conduct, to the characteristics of the services provided, and to the customers themselves.

Specifically, the Regulations guarantee:

- **the use of Group Templates to present the characteristics of products and contractual conditions**, subject to prior assessment, also with involvement of the control functions, regarding the structure of products in reference to their ease of understanding to customers, and their compliance with laws, regulations and provisions of the competent Supervisory Authorities;
- **quantification of the prices applied to customers**, every time current regulations establish that they cannot exceed or are in any event adequate and proportionate to the costs incurred, are stated in writing and formally approved;
- **a prompt response to requests that could come from customers during relations** (such as access to the updated text of the contract if unilateral amendments have been made, reimbursement of amounts unduly debited, disclosure obligations to customers);
- **Transparency and Fairness standards** when action is taken by parties from outside the organisation in one or more marketing phase;
- **adoption of forms of remuneration and appraisal of sales network staff which do not constitute an incentive to market products not suited to the financial needs of customers.**

The Parent Company and the Affiliated Banks adopt specific Group operating procedures that regulate in detail specific areas covered by the Regulations.

The Regulations and updates thereof are approved by the Parent Company's Board of Directors, on the proposal of the Operations and Human Resources Department and with the opinion of the Compliance Department, and apply to the Parent Company, Affiliated Banks and Group Financial Companies. To supplement the above internal regulations, and in particular as part of the Product Oversight Governance for retail banking, the Group has adopted the **"Group Regulations on New Products"** and subsequent operating procedures governing the development and distribution of new banking products and services, in addition to the launch of new operations, innovative projects and entry into new markets.

The Regulations, approved by the Board of Directors, provide for a methodology that classifies products in terms of risk, complexity and cost, and defines the customer target market in order to ensure that the products offered and sold are aligned with their respective clientèle. To this end, a process has been introduced to gain input from customers on their needs, together with procedures, including IT processes, adopted to identify the customer categories at which products are aimed (positive Target Market) or not aimed (negative Target Market). By identifying the Target Market, the Group meets its obligation to consider the interests, goals and characteristics of this target market, in the product design and commercialisation phases, enabling it to develop and offer products with the appropriate level of complexity, risk and cost for the customer. The Regulation is also drawn up in accordance with the Group's Remuneration and Incentive Policies and ensures compliance with policies and forms of remuneration and incentives for staff and sales network representatives that are consistent with the company's objectives, values and long-term strategies, and that are inspired by criteria of diligence, transparency and propriety in relations with customers.

There is also a **product-testing** and sales monitoring **process** aimed at verifying the need to review products or distribution policies. The Regulation and the operating procedures are designed to ensure that the interests, objectives and characteristics of

customers, the typical risks associated with the products that may penalise customers and possible conflicts of interest are taken into account in the development and offer stages and throughout the life cycle of the products themselves.

Adoption of the procedures developed in the aforementioned documents enables the Group to safeguard against legal and reputational risks and guarantee sound and prudent business management.

Transparency in investment services

[ESRS S4 S4-1]

[ESRS 2 MDR-P]

The Group adopts **Financial Regulations** and further specific internal policies, which, in compliance with the provisions of Directive (EU) 2014/65 (MiFID II) and its implementing regulations, formalise the rules of conduct that the Parent Company and the Affiliated Banks are required to follow when providing investment services to customers.

The Regulations and updates thereof are approved by the Parent Company's Board of Directors, on the proposal of the Finance Department and apply to the Parent Company and Affiliated Banks.

In this context, the internal regulations referred to set out specific obligations regarding pre-contractual disclosure, periodic disclosure and the preparation of marketing documentation in accordance with the obligations imposed by the MiFID II Directive and its implementing legislation.

Specifically, the Group:

- gathers detailed information on customers through the MiFID questionnaire in order to define their risk profile and level of investment knowledge and experience;
- verifies that the product is consistent with the customer profile, assessing whether they are able to understand the risks involved and whether it meets their financial objectives (Adequacy Test) or verifies whether the customer has the necessary knowledge and experience to understand the risks of the financial product (Appropriateness Test);
- sends detailed and transparent documentation to the customer;
- ensures that information is regularly updated, especially in the event of changes in the financial situation, investment objectives or regulations.

With regard to sustainability reporting to customers, the Parent Company and the Affiliated Banks adopt the **Group Policy on sustainability in the financial services sector**, as mentioned above. Among other things, the Policy governs the safeguards implemented at Group level and in accordance with the provisions of Regulation (EU) 2019/2088 (SFDR) in order to ensure that customers using investment services are adequately informed about:

- the integration of sustainability risks in investment decisions or in consulting on investments or insurance;
- the due diligence policies with regard to the negative effects in investment decisions or consulting on sustainability factors;
- the consistency of the Remuneration Policies with the integration of sustainability risks.

The Policy applies to the Parent Company and Affiliated Banks as participants in financial markets and advisers, regulating portfolio operations and investment advice, including insurance policies, UCITS and pension products, for retail and professional customers.

Implementation of the Policy is assigned to the Wealth Management and ESG Committee, which analyses markets and defines investment strategies, and to the Chief Wealth Management and Treasury Officer (CWMT0), who is responsible for decisions on ESG parameters and actions to mitigate negative sustainability impacts.

Specific information about the sustainability of the financial services provided by the Parent Company and the Affiliated Banks is published on their respective institutional websites.

Engagement Policy

As part of its strategy of responsible finance and transparency in financial services, the Group has adopted an **Engagement Policy**, compliant with the EU Directive 2017/828 (SHRD2) and the Consolidated Law on Finance (TUF), approved in 2021 by the Board of Directors of Cassa Centrale Banca. This policy defines how the Group, as an asset manager, monitors and interacts with investee companies to promote responsible and sustainable governance. It aims to ensure active and transparent engagement of institutional investors and asset managers in listed companies.

Through this policy, the Group:

- **defines criteria for monitoring and selecting investments**, assessing the size and importance of stakes in listed companies. If the stake exceeds 1% of market capitalisation (Significant Issuers), monitoring is systematic and includes analysis of financial and ESG factors. For lower equity investments, the level of monitoring and involvement is decided on a case-by-case basis, depending on the significance of the investment and the interests of investors;
- **monitors investee companies** in terms of financial, strategic, ESG and risk to ensure transparent and sustainable business practices. The analysis also considers financial statements, sustainability reports, governance reports and other key performance indicators;
- **engages with issuers** to improve their sustainability and governance performance and ensure clear information to investors and consumers. This dialogue may take place through face-to-face meetings, participation in Annual General Meetings or formal requests for clarification;
- **exercises voting rights with responsibility** to influence corporate decisions consistent with social and environmental responsibility criteria;
- **cooperates with other shareholders** to promote best practices in governance and risk management, in compliance with financial market regulations;
- **manages conflicts of interest**, ensuring that decisions are always in the best interests of investors;
- **ensures transparency** by publishing annual information on how the Engagement Policy is implemented.

The Policy and its updates are approved by the Parent Company's Board of Directors, with the favourable opinion of the Compliance Department and following an adequacy test by the Finance Department, and apply to the Parent Company and Affiliated Banks.

Transparency in insurance services

The Parent Company and the Affiliated Banks have adopted a specific **Group Regulation on insurance distribution**, which governs the rules and models for the distribution of insurance contracts at Group level. Among other things, the Regulation formalises the appropriate disclosure mechanisms for customers, both with reference to the insurance distribution activities carried out by the Parent Company and the Affiliated Banks, and in relation to the products offered. Additional disclosure requirements are defined in the Policies and Regulations governing the product governance of insurance products, including insurance-based investment products (IBIPs).

3.3.5.1 Credit management

[ESRS S4 S4-1]

[ESRS 2 MDR-P]

The credit strategy represents the framework for the Group's lending activities, aimed at supporting the local economy and the needs of areas in which the Affiliated Banks operate. In particular, credit for families and small and medium-sized enterprises (SMEs) is favoured, strengthening the role of Cooperative Credit Banks as partners for development of the community.

In line with the goals set out in the Strategic Plan, which also reflect the Group's mutualistic aims, the granting of loans is geared towards meeting the financial needs of communities, ensuring that products offered are consistent with the characteristics and

needs of the local market. Furthermore, the strategy aims to safeguard the assets of the Group's companies, ensuring economic sustainability and capital strength in the provision of loans.

Again in 2024, the focus was on credit quality, sector and area-based diversification and risk fragmentation, with specific measures to strengthen credit management:

- definition of exposure thresholds to ensure a balanced portfolio;
- adoption of a prudent approach to the granting of loans;
- closer collaboration between the Credit Departments of Affiliated Banks and the Parent Company's corporate structures, ensuring strategic and operational alignment and clearly defined exposure thresholds.

In line with its commitment to sustainability and human rights, the Group adopts a principle of non-discrimination in the allocation of credit and the provision of services, ensuring equal access to financial products for all customers, regardless of gender, age, ethnicity or other personal conditions. This commitment is enshrined in the **Human Rights Policy**, which applies not only to employees, but also to customers and all stakeholders with whom the Group interacts. For more information, please consult section "4. Information on Governance", chapter "4.1 Business Conduct", paragraph "4.1.2.2 Corporate culture and business conduct policies".

The Group Credit Policy guidelines

In the context of its lending activities, in order to ensure consistency of aims and actions, the Group establishes the general principles constituting expression of the criteria and methods of credit assessment and operations that the Parent Company, Affiliated Banks and the Group's Supervised Intermediaries adopt when granting and renewing credit facilities.

One distinctive feature of the Group's credit approach is its direct and detailed knowledge of customers, the group, the local area in which it operates and its overall credit exposure. This enables credit quality assessment that draws on information gleaned through proximity, and ensures adequate fragmentation and diversification of the loan portfolio, reducing risk. Together, these characteristics enable evaluation based on:

- the historical performance of the customer's business;
- family and corporate history;
- the type of investment for which loans are requested or exist.

The creditworthiness assessment must incorporate an examination of the risks associated with ESG factors and, in particular, take into account the counterparty's financial situation, the potential impacts on their financial and capital performance that could arise from current climate trends or specific events, due to the degree of exposure to physical and transition risks. The enhanced ESG sustainability assessment focuses on:

- the business model, market environment, regulatory requirements for the specific sector and potential impacts on the customer's financial position as a result of this new regulation;
- the exposure of the specific business sector to climate and environmental risks, assessing in particular the existence of business plans aimed at progressive diversification or the introduction of adequate control measurements to ensure mitigation of such risks (investments to relocate plants, introduce protective elements or reduce gas emissions).

To reinforce this approach, in December 2024 the Parent Company's Board of Directors approved and adopted the **"Group Policy on ESG aspects in relation to granting of loans"**, which regulates the integration of environmental, social and governance factors in financing decisions. This Policy establishes clear criteria for lending to businesses, assessing the associated risks and their impact on the financial viability of counterparties, in line with the Group's commitment to sustainability and responsible finance.

Moreover, the Group is committed to rigorous compliance with money laundering and terrorist financing regulations, paying particular attention to transactions with entities based in countries with restricted assets or privileged tax regimes or operating in controversial sectors and the related negative impacts, especially on the Group's image.

The Policy applies directly to the Parent Company and Affiliated Banks, which must transpose and implement it, and indirectly to the Group's Supervised Intermediaries.

The body responsible for implementing the Policy is the Parent Company's Board of Directors, which approves it on the proposal of the Credit Department, with the opinion of the Compliance Department and the assessment of the Risk Management Department.

3.3.6 Social-purpose loans

[ESRS S4 S4-4]

[ESRS 2 MDR-A]

[ESRS 2 MDR-M]

The Cassa Centrale Group's responsible lending policy is also put into action through the provision of financial advisory services and **debt-reduction programmes**, which promote the reduction of consumers' risk of over-indebtedness, improving their long-term financial health, as well as by raising awareness, particularly among the younger generations, of financial issues, in order to foster understanding of investment, protection and retirement instruments.

In the responsible credit segment, the Group's commitment to supporting families and SMEs is reflected in its inclusion of predominantly social products among its various credit instruments. Specifically, social financing is developed, assessed and intermediated by Cassa Centrale Banca through a number of channels, including:

- qualitative assessment of the initiative alongside the quantitative analysis;
- adoption of protocols and conventions with General Governments/trade Associations for subsidised loans, also for business internationalisation purposes;
- group-wide cooperation with the Confidi system;
- development of financial relations with second-level social Cooperation Consortia, as well as through the signing of agreements as representative of the Affiliated Banks with organisations representing Cooperation;
- operations involving public grants to households (e.g. home purchase, unsecured loans, etc.).

In 2024, Cassa Centrale Banca created and released its ESG Portal, a dedicated tool to support customers in the process of ecological transition. The portal helps enterprises and families seize the opportunities of the ecological transition, providing concrete tools for a more sustainable economy, and access to the opportunities of the Industry 5.0 Plan. The portal is accessible at www.portalesg.cassacentrale.it and has five sections offering:

7. Informative videos on sustainability;
8. overview of loans and incentives for sustainable growth;
9. customised consultancy services;
10. insurance solutions for the protection of property and assets;
11. sustainable finance options for responsible investment.

The Cassa Centrale Group actively supports families, businesses and the third sector by offering financial products with a social and environmental purpose, fostering financial inclusion and sustainable growth in the areas in which it operates.

For families, the Group provides specific solutions for specific needs, including:

- loans with favourable conditions for young people and students, such as merit-based loans with reduced guarantee requirements;
- mortgage loans guaranteed by the CONSAP Fund, to facilitate access to credit;
- subsidised loans for families affected by natural disasters.

For **enterprises, craftspeople** and **sole proprietors**, the range includes:

- loans dedicated to young entrepreneurs and SACE-guaranteed instruments to facilitate access to credit and business growth;
- microcredit and start-up financing solutions designed to support small or new businesses;
- loans for female entrepreneurship;
- special facilities, such as emergency loans (e.g. to companies affected by natural disasters) and other interventions with a social purpose.

The main Group products with a social purpose are set out below.

Social products and services by segment - Newly originated loans for the year

SOCIAL PRODUCTS AND SERVICES BY SEGMENT - NEW LOANS IN THE YEAR	31/12/2024			
	Number of transactions	Amount disbursed for social products and services	Total amount disbursed in the segment	% of segment total
UoM	no.	Euro	Euro	%
Households	4,197	416,087,342	3,213,706,583	12.9%
Businesses, craftspeople and sole proprietors	4,646	694,493,414	4,714,221,160	14.7%
Organisations, associations and committees	399	36,261,363	37,080,363	97.8%
Total	9,242	1,146,842,119	7,965,008,106	14.4%

Metrics

Measurement of products and services with a social purpose is based on the analysis of disbursements during the reporting period, distinguishing between different categories of beneficiaries. Monitoring looks at the number of disbursements during the year, the amount disbursed for products and services with a social purpose, the total amount disbursed in the segment and the ratio of the amount disbursed to the segment total.

Only operational mortgages as at 31 December 2024 and not other loans were included. Specifically, refinancing, loans to counterparties other than families, companies and organisations/associations were excluded. For loans with both green and social purposes, priority was given to green aspects.

The number of operations is expressed as an absolute value. In the case of pooled loans, the individual shares were counted. The amounts shown are those granted and becoming operational during the year, expressed in Euro.

Newly originated loans for the year are included in the balances as at 31 December 2024, as shown in the section "Operating performance of the Cassa Centrale Group" in the Report on Operations, namely in the table "Customer loans".

Mutuo Prima Casa Giovani

Among the loans aimed at young people, the core product is the “Mutuo Prima Casa Giovani” (First-Time Young Buyer Mortgage) product, which provides access to the “Guarantee Fund for the purchase of first homes” for amounts of up to 80% of the capital of the amount required.

Agreements and conventions for subsidised loans

In 2024, Cassa Centrale Banca strengthened its commitment to supporting businesses and families, signing a series of agreements and conventions to facilitate access to credit on favourable terms and promote economic growth and sustainability in the areas in which it operates.

1. Supporting businesses and local economies

The Group signed a memorandum of understanding with AVEPA (Veneto Agency for Payments in Agriculture) and the main Affiliated Banks operating in Veneto. The agreement enables advance payment of contributions to farms with the right to payment entitlements, through subsidised loans.

A further agreement was signed with the Puglia Region for MiniPia (*Pacchetti Integrati di Agevolazione* - Integrated Subsidy Packages), with the aim of facilitating access to credit for small enterprises, to support the positioning of small Italian and international enterprises and to develop regional employment, including female employment.

The Group has joined Fondo Veneto Competitività – “Transition Section” that supports innovative programmes aimed at introducing technological product and process innovations, to modernise machinery and systems and to accompany company reorganisation and restructuring processes, including from the perspective of the promotion of digitisation and reconversion of production activities towards a model of circular economy and sustainable development.

In order to strengthen its ties with local authorities, the Group signed a memorandum of understanding with ANFIR (National Association of Regional Financial Institutions), with the aim of reinforcing existing collaborations at the local level. The initiative is part of the recent reform of public incentives for companies with the aim of standardising current support instruments. The identification of specific products that meet the needs of the entrepreneurial sphere and work in synergy with instruments managed by the individual Financial Institutions using public funds and Own Funds, may foster cooperation between ANFIR and the Cassa Centrale Group, enhancing and integrating their respective operational capabilities to promote business development.

In the context of emergency management, an agreement was signed with Finanziaria Ligure per lo Sviluppo Economico (F.I.L.S.E.) to support companies affected by the extreme weather events of November 2023.

In order to promote cooperation and facilitate access to loans for local businesses, a Memorandum of Understanding was signed with the Compagnia delle Opere (CDO) Association, aimed at fostering cooperation between local CDO Offices and Affiliated Banks, enabling them to enter into agreements on a regional basis and offer members financial products at favourable terms.

2. Microcredit and subsidised loans

The Group strengthened its commitment to microcredit through an Addendum to the Agreement with the Italian National Microcredit Body (ENM). This initiative makes it easier for Affiliated Banks to identify specialised partners for the provision of microcredit ancillary services, ensuring greater support for micro-enterprises and the self-employed in need of dedicated financial solutions.

In 2024, the Cassa Centrale Group continued its commitment to supporting local small and medium-sized enterprises by facilitating access to credit through loans backed by the Public Guarantees. Through the Central Guarantee Fund for SMEs, the Group has made dedicated Financial instruments available, which allow companies to obtain more favourable financing conditions, while reducing the risk for Affiliated Banks. In 2024, the Group continued to broker significant volumes with the Central Guarantee Fund, also availing itself of the guarantee provided by the affiliated Confidi and counter-guaranteed by Mediocredito Centrale.

At the same time, the Group renewed its cooperation with **Cooperfidi** for the Rural Banks of Trentino, aimed at supporting enterprises in the livestock sector and related sectors. This agreement provides for subsidised loans to improve production processes, reduce environmental impacts and encourage generational turnover. The loans are disbursed using subsidised funding, with 36% provided by Cooperfidi and 64% by own funds. The rate applied, fixed or variable, is particularly advantageous, thanks to the weighted average of the bank funding rate and the 0.10% remuneration on Cooperfidi funding. Loans are guaranteed up to 80% of the amount disbursed, with a maximum threshold of up to EUR 1 million (with certain exceptions), to be repaid in six-monthly instalments with a term of up to 20 years. The fund's mechanism allows resources returned by beneficiaries to be progressively reinvested, extending support to others in the sector.

The Group strengthened its range of financial services through a cooperation agreement with **Mediocredito Centrale** in the area of specialised factoring services. This is a significant step to strengthen industrial and strategic relations between the two Italian financial institutions, consolidating their partnership and positioning as key players in the loans market. Specifically, Mediocredito Centrale, through its specialised MCC Factor structure, will offer various services to business clients of the 65 Cooperative Credit Banks, Rural Savings Banks, and Raiffeisenkassen affiliated with the Cassa Centrale Group, including factoring with and without recourse, payment deferral and reverse factoring. The agreement is part of broader cooperation between the two entities, aimed at creating synergies and innovative solutions for client companies, thus promoting the economic growth and sustainable development of the entire national system and its small and medium-sized enterprises. Companies clients of the Cassa Centrale Group will benefit from favourable conditions and specialised support that can guarantee greater flexibility and new financial solutions to help support their growth and competitiveness.

Confirming its commitment to fostering entrepreneurial growth and cooperation, the Group has introduced the **"Promofondo"** financial instrument, relaunching the Revolving Fund dedicated to financing. The maximum amount that can be requested for each individual loan is EUR 1 million with a maximum duration of 15 years.

3. Loans for sustainability and innovation

The Cassa Centrale Group offers a range of financial solutions aimed at supporting the energy transition and reducing emissions, promoting environmental sustainability through dedicated instruments for individuals and businesses. These include the "Mutuo Privati Green" personal mortgage loan, the EUR 1.3 Billion Fund to Support Green Mortgage Loans for the period 2024-2027, the EUR 100 Million Green Bond issue, and the Green Agreement with SACE to incentivise sustainable investments in companies. For more details on environmental initiatives and sustainability-related financial products, see the environmental section of this report.

To reinforce the agreement signed with SACE for the Green Guarantee, the Cassa Centrale Group also signed the "Future Guarantee" agreement with the aim of encouraging and supporting growth of companies in Italy and in global markets. This agreement allows Affiliated Banks to make SACE's 70% guarantee available to companies to support operations of strategic importance for the country's economy, in terms of internationalisation, economic security and the launch of production and employment processes in Italy. Loans will be granted for investments, whether already made or yet to be made, or for working-capital requirements, within the macro-categories identified by SACE. These include: infrastructure (priority, energy, water, social or digital), development of economically disadvantaged areas, seismic and hydrogeological risk reduction, strategic supply chains, technological and digital innovation, and female entrepreneurship. The new agreement once again confirms the commitment to finance sustainable transition of companies, innovation, the competitiveness of Italy and Italian companies worldwide, and employment levels through new instruments and an increasingly comprehensive offer. For more information on the agreement for Green Guarantee access, please refer to section "2. Environmental Information", chapter "2.2 Climate Change", paragraph "2.2.3.2 Actions and initiatives".

In 2024, 16,863 new loans were disbursed backed by guarantees/counter-guarantees for a total of EUR 2,400,140,160, guaranteed for EUR 1,751,258,967.

Loans backed by guarantees and counter-guarantees

LOANS BACKED BY GUARANTEES AND COUNTER-GUARANTEES	31/12/2024		
	New loans in the year	New loans in the year	New loans in the year
	Number of transactions	Total monetary value of loans	Monetary value of the guaranteed amount
UoM	no.	Euro	Euro
National Guarantee Fund	12,285	1,802,486,792	1,359,052,673
Confidi	3,396	267,674,943	175,520,894
Ismea	442	101,004,875	62,402,633
Other public entities	674	80,022,220	45,467,337
Sace	66	148,951,330	108,815,431
Fei	-	-	-
Total	16,863	2,400,140,160	1,751,258,967

LOANS BACKED BY GUARANTEES AND COUNTER-GUARANTEES	31/12/2024		
	Active as at 31/12	Active as at 31/12	Active as at 31/12
	Number of transactions	Total monetary value of loans	Monetary value of the guaranteed amount
UoM	no.	Euro	Euro
National Guarantee Fund	98,446	7,765,159,853	6,362,005,108
Confidi	12,580	966,442,099	573,976,297
Ismea	4,411	475,841,040	329,092,280
Other public entities	5,708	470,083,341	343,246,295
Sace	297	393,375,050	327,026,832
Fei	2	152,377	76,189
Total	121,444	10,071,053,760	7,935,423,001

Metrics

The data includes the total number of transactions, total monetary value (in Euro) of the financing and the guaranteed value. Assisted loans are broken down by type of public guarantee.

The number of transactions is expressed in absolute terms, while the amounts indicated are those granted and becoming operational during the year, expressed in Euro. Figures refer to values as at 31 December 2024. The table showing new disbursements in the year refers only to new disbursements during 2024.

Where a guarantee covers several relationships, it is counted only once, as is the value of the guaranteed amount.

Newly originated loans for the year and Existing loans as at 31 December 2024 are included in the balances as at 31 December 24, as shown in the section "Operating performance of the Cassa Centrale Group" of the Report on Operations, in the table "Customer loans".

Evolution of financial services

As part of its financial services innovation strategy, the Cassa Centrale Group signed a strategic partnership with **Worldline [Euronext: WLN]**, a leader in digital payments. This partnership covers the entire value chain of digital payment acceptance and international acquiring for the 1,491 branches of the Group's 65 Affiliated Banks, spread across Italy.

The agreement sets out the supply and management of POS terminals, as well as exclusive agreements for international circuits, with a portfolio of approximately 100 thousand terminals, which generated a total transaction volumes of EUR 9.8 billion in 2024. With this initiative, the Cassa Centrale Group aims to strengthen the quality and competitiveness of the services offered to clients, expanding the offer with innovative and market-friendly solutions. The agreement is part of the Group's strategic initiatives, allowing it to generate medium-term benefits and strengthen its position in the digital payments sector. Worldline's national and international expertise will offer concrete benefits in terms of innovation and product-portfolio evolution, improving the customer experience for Affiliated Bank customers and supporting growth and competitiveness.

Prestipay credit products

Prestipay is committed to providing families who are customers of Affiliated Banks with loan products designed according to the principles of transparency and sustainability, encouraging a responsible and informed approach to credit, thus limiting over-indebtedness.

The Company identifies the target market for the products and provides guidelines for their correct distribution in compliance with POG regulations.

During 2024, the Company finalised the project to internalise the salary or pension-backed loan product and started distributing it through the branches of Affiliated Banks.

Through its pension-backed loan product, the Company intends to offer customers a personal financing solution that promotes financial inclusion:

- offering a credit opportunity to those who may not have other forms of access to finance, such as persons with limited credit or negative payment history;
- reducing the risk of insolvency thanks to the payment method of direct debit from wages or pension payments;
- extending access to loans also to vulnerable groups, such as pensioners, who often have fewer financing options.

3.3.7 Responsible finance

[ESRS S4 S4-4]

[ESRS 2 MDR-A]

In the financial landscape, the Parent Company and its subsidiaries play a strategic role in supporting Affiliated Banks and their customers, ensuring both the operational efficiency of banking services and a diversified offer of investment solutions. Through an integrated model, the Group ensures continuity and quality in its financial intermediation services, allowing Affiliated Banks to propose investment instruments to their clients that are aligned with their different asset and financial-planning needs.

The Group's range includes an array of financial services.

As explained in the section on "Transparency of banking and financial products and services" above, the Group has a Group Policy on Sustainability in the Financial Services Sector that integrates ESG principles into its investment and financial advisory activities.

A further key element concerns the classification of financial products, with clear and structured levels of disclosure in both pre-contractual and periodic reporting, providing customers with greater transparency on the sustainability characteristics of the proposed investment solutions.

Within this framework, **NEAM** (Nord Est Asset Management), the management company of the **NEF Fund**²⁴, has adopted a "**Sustainability Risk Policy**" dedicated to the management of sustainability risks related to its sub-funds. This policy includes exclusion measures for specific sectors and activities considered controversial (**Exclusion Policy**), in order to prevent negative impacts on investments and improve the sustainability profile of the portfolio.

Specifically, NEAM totally excludes the following from investments in all NEF sub-funds:

- controversial arms, including anti-personnel mines and cluster munitions;
- companies involved in serious violations of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises.

For NEF sub-funds classified as financial products in accordance with **Articles 8 and 9 of the SFDR**, NEAM applies additional restrictions, excluding investments in Tobacco and related activities and Arms Production, which, although not completely prohibited, is strongly discouraged.

Finally, NEAM ensures that sustainability risks are communicated transparently to investors through NEF's prospectus, providing all relevant information on the environmental and social impacts of investments.

With the conviction that an adequate offering of products and services supports the effectiveness of investment proposals, through NEAM the Cassa Centrale Group has set up a number of NEF sub-funds consistent with the values of sustainable and responsible finance, whose investment decisions take the following criteria into account:

²⁴ The NEF Fund is an undertaking for collective investment in transferable securities ("UCITS") under the definition of Council Directive 2009/65/EC, as amended ("UCITS Directive").

Sustainability oversight	Description
Positive screening	Investing mainly in assets selected on the basis of sustainability criteria. Sustainability encompasses environmental (E) and social (S) criteria, as well as good corporate management and governance (G), such as: ■ the ability of the Company to control its direct and indirect environmental impact by limiting its energy consumption, reducing greenhouse gas emissions, combating resource use and protecting biodiversity; ■ the social aspect related to the issuer's human capital and that related to human rights in general; ■ the effective corporate governance structure that ensures the achievement of its long-term objectives.
Negative screening	Refraining from investment in companies whose main activities are in "controversial" sectors, such as tobacco, pornography, gambling or arms, and/or in countries where serious human-rights violations are carried out or tolerated. Since the prospectus went into effect on 2 December 2024, NEAM has expanded negative screening across the range of sub-funds that promote environmental or social characteristics or have a sustainable objective (classified Art. 8 and Art. 9 under the SFDR) by aligning with the exclusion criteria of the EU Climate Transition Benchmark (CTB)*. The CTB exclusions refer to: ■ companies involved in any controversial arms-related activities; ■ companies involved in tobacco cultivation and production; ■ companies deemed in violation of the principles of the United Nations Global Compact (UNGC) or the Organisation for Economic Cooperation and Development (OECD) guidelines on managing economic activity. NEAM applies point (a) of negative CTB screening to all NEF sub-funds and is not limited to the subject of controversial arms, but also applies a total exclusion upon companies with significant revenues generated by services/products oriented towards arms or war. For sectors that promote environmental or social characteristics or have a sustainable objective (classified Art. 8 and Art. 9 under the SFDR), it is also necessary to further promote ethical activity by excluding other controversial sectors, such as those related to gambling, pornography and fossil fuels. These exclusions/limitations may vary from one sub-fund to another depending on the objective, strategy and investment.

*CTB exclusions are listed in points (a)-(c) of footnote 4 (Article 12(1)(a)-(c) of Commission Delegated Regulation (EU) 2020/1818).

NEAM verifies the extent to which the PAIs of the companies in the portfolio have improved or worsened compared to the previous year on a consistent basis (e.g. assuming that the actual portfolio has not changed compared to the same period in the previous year). This is to highlight how much of the portfolio consists of companies that are reducing their negative impact year after year.

When there is evidence of a material deterioration in any material PAI, NEAM requires the appointed manager to submit a report explaining the dynamics and actions taken or planned and, where applicable, related engagement activity. This has several purposes:

- to investigate whether PAIs are actually taken into account in the investment management process as agreed in the investment guidelines and pre-contractual documents and as part of the manager's oversight;
- to confirm that the minimum percentage of sustainable investments has actually been reached, to be carried out at least quarterly.

Finally, NEAM is committed to ensuring that its delegated managers adopt a serious and well-structured approach to PAIs. It is considered that the most significant current controls applied to PAIs is determination of whether a company has an improving trend, in order to reduce its negative impacts, or has set absolute thresholds without considering trends. NEAM, as the delegating party, leverages its managers to engage with invested companies to plan implementation activities for better disclosure and management of negative impacts.

The sub-funds that meet these criteria within the NEF range are as follows: NEF Ethical Short Term Bond Euro, NEF Ethical Bond Euro, NEF Ethical Corporate Bond Euro, NEF Ethical Balanced Conservative, NEF Ethical Balanced Dynamic, NEF Risparmio Italia PIR and NEF Ethical Global Trends.

Specifically, the NEF Ethical Short Term Bond Euro, NEF Ethical Bond Euro, NEF Ethical Corporate Bond Euro, NEF Ethical Balanced Conservative, NEF Ethical Balanced Dynamic and NEF Risparmio Italia sub-funds promote several ESG characteristics in compliance with article 8 of the Sustainable Finance Disclosure Regulation ("SFDR") and the relative sustainability risks, while the NEF Ethical Global Trends SDG segment aims for sustainable investments in compliance with article 9 of the same Regulation.

Asset management

In 2021, Cassa Centrale Banca and the Affiliated Banks adopted the "Group Policy on Sustainability in the Financial Services Sector" (updated in March 2023), thus allowing for an adaptation to the new regulations on transparency for financial market participants and financial advisers (see Regulation (EU) 2019/2088, the "Sustainable Finance Disclosure Regulation" or "SFDR" – and EU Regulation 2020/852 – the "Taxonomy Regulation", or "TR").

This Policy identifies and formalises the oversight mechanisms and measures aimed at:

- integrating sustainability risks into decision-making processes relating to investments and consulting on investments or insurance;
- considering the main negative effects on sustainability factors of investment decisions and consulting on investments or insurance;
- classifying financial products and defining the disclosure levels established in pre-contractual and periodic reporting phases.

In the context of Asset Management, Cassa Centrale Banca has also integrated an approach for the selection of investments to offer customers portfolio management lines that are respectful of the environment, human rights and gender diversity, as well as corporate governance best practices.

Specifically, the control measurements adopted to integrate and assess risks and the main negative effects on sustainability factors (Positive screening, Alignment with SFDR/TR, Negative screening) are published on www.cassacentrale.it.

In addition, activities concerning the consideration of PAIs, as a participant in the financial markets, were structured at the product level for each asset management line classified under Article 8 of the SFDR. PAIs at product level aim to measure the negative impacts on sustainability factors resulting from the underlying investment decisions of the product itself.

For each product on the basis of its characteristics (e.g. type of underlying elements) are determined:

- whether to consider the negative effects on sustainability factors;
- which PAI indicators to use of those provided for in the Tables of Annex I of the SFDR Delegated Regulation.

The choice of which product-level PAIs to consider and which specific indicators to use is based, for example, on:

- the relevance of PAIs to the type of investments made;
- the level of coverage of PAI data;
- the investment strategy defined for the product;
- specific requirements related to responding to sustainability preferences (as defined by Delegated Regulation (EU) 2021/1253) and the product's target market.

Results of periodic monitoring of the indicators' performance are presented to Cassa Centrale's Wealth Management and ESG Committee in order to identify any actions to reduce the negative effects on sustainability factors, where alerts are present. These actions, in line with the investment strategy adopted by the management lines classified Article 8 under the SFDR, may consist of:

- increases, including progressive increases, in investment with less negative impact (including potential impacts) on sustainability factors;
- promotion of engagement and/or investor relations initiatives (e.g. informal dialogue) with issuers or funds aimed at improving practices and performance with regard to sustainability factors;
- reduction or divestment, also progressively, of investments with a high negative impact (also potential) on sustainability factors.

The oversight mechanisms described have enabled Cassa Centrale Banca to classify the management lines as financial products which promote, inter alia, environmental or social characteristics or a combination of them ("light green" financial products). The high level of personalisation characterising the GP Private lines impacts their classification pursuant to the SFDR based on the breakdown of the percentage weights attributed to each segment.

Assicura Agenzia products

Within the Cassa Centrale Group, Assicura Agenzia plays a central role in supporting Affiliated Banks in defining their insurance and pension offerings, with the aim of guaranteeing high quality, customised solutions for members and customers. Through its subsidiary Assicura Broker, the Group also offers insurance brokerage services, further expanding protection and risk management options for corporate clients.

Bancassurance is a key tool for offering financial assistance and advice, helping customers to protect themselves and their families from life's risks and to make informed choices for their future welfare. The sector continues to perform well, thanks to a diversified product offering designed to meet the needs of different life stages and to promote welfare education among customers.

An extensive range and a strong training commitment

Assicura Agenzia operates through a network of branches open to the public and in agreement with Confartigianato and Confcooperative of Friuli Venezia Giulia, guaranteeing direct access to insurance services. Assicura Broker, deals with management and insurance brokerage for Affiliated Banks and their corporate clients, offering tailor-made solutions for the business world.

The Group also invests in training of banking personnel, ensuring compliance with IVASS Regulations and promoting adequate knowledge of insurance products offered to customers.

An established partnership model

The Group's bancassurance business relies on a renewable five-year partnership agreement with R+V and the Assimoco Group, which serve as the reference partner for the distribution of a wide range of life and non-life insurance products. These products are distributed through Affiliated Banks via Assicura Agenzia, consolidating the Group's commitment to offering integrated and comprehensive financial solutions.

3.3.8 Targets on members and customers

[ESRS S4 S4-5]

[ESRS 2 MDR-T]

The Cassa Centrale Group's Sustainability Plan defines the strategic objectives in the environmental, social and governance spheres, with a focus on end consumers, i.e. members and customers. Goals are set based on a structured analysis of market and stakeholder needs, by monitoring trends in the banking sector, comparing them with relevant regulations and directly involving customers and partners. This approach allows the Group to identify priority action areas, set measurable targets and ensure continuous monitoring of performance to adapt strategies to the changing environment and the real needs of customers. The Sustainability Plan, which forms an integral part of Group strategy, is discussed in more detail in section "1. General Disclosures", Chapter 1.3 "Strategy", paragraph 1.3.1 "Strategy, Business Model and Value Chain".

The Group's commitment is reflected in the adoption of specific targets to foster a transition to a low-carbon economy through targeted Financial instruments. To this end, it allocated an amount of **EUR 1.3 billion** for the financing of new green production for the next three years (2024-2027) and **EUR 1 billion** for NRRP-related loans by 2025.

In addition, as part of its Sustainable Funding strategy, Cassa Centrale Banca has set the goal of issuing **EUR 150 million in Green, Social and Sustainability Bonds** by 2027 to support the financing of projects supporting the ecological transition.

The Group pursues the strengthening of sustainable financial product offerings. In particular, it aims to:

- reach at least 80% of customers profiled²⁵ with reference to sustainability preferences, out of total profiled customers, by 2026;
- ensure that the following thresholds are exceeded by 2027:
 - 90% Sustainable Asset Management (pursuant to Arts 8 and 9 of the SFDR) for all financial years included in plan arc;
 - 65% AUM for Sustainable NEF Funds (pursuant to Arts 8 and 9 of the SFDR) out of total AUM NEF Funds;
 - 65% sustainable IBIPs (pursuant to Articles 8 and 9 of the SFDR) out of total AUM bancassurance products.

For **security and consumer protection** issues, the Group takes a **zero-tolerance approach to fraud**, investing in enhanced IT security measures and data protection. The aim is to ensure **maximum privacy and information security**, protecting customers from operational and IT risks.

The Group promotes **access to quality information**, enabling all customers to make informed decisions about financial services. This commitment is reflected in the adoption of tools and processes to improve transparency and financial education, ensuring clear and accessible information for all users.

Finally, the Group's 2024-2027 Sustainability Plan includes a specific target related to the inclusion and participation of young people in cooperative and local dynamics, setting a target of 23,000 new young members (<30 years) by 2027. This is part of a broader strategy aimed at strengthening the involvement of new generations in the cooperative model to ensure generational turnover and continuity in supporting local communities.

²⁵ In accordance with MiFID II LG 2023 framework:

4. Information on Governance

4.1 Business Conduct

ESRS G1

4.1.1 Governance

The role of the administrative, management and supervisory bodies

[ESRS G1 GOV-1]

The Group's Board of Directors, as the body with strategic oversight functions, is responsible for management of business conduct and the identification, assessment and mitigation of risks, including sustainability risks. The Board defines governance strategies and ensures that the activities of the Parent Company, Affiliated Banks and Subsidiaries are aligned with the regulatory framework, promoting a responsible and sustainable business model. For further details on the role of the governing bodies, please also refer to section "1. General Disclosures" in chapter "1.2 Governance", paragraph "1.2.1 Administrative, management and supervisory bodies".

In support of the Board, various company departments play a crucial role in ensuring compliance with regulations, risk management and control of company procedures. Specifically:

- the **Internal Audit Department** ensures the proper functioning of company processes and internal control systems, verifying compliance with regulations and identifying any areas for improvement;
- the **Risk Management Department** is responsible for corporate risk management, defining the Risk Appetite Framework (RAF) and monitoring exposure to financial, operational and market risks, including ESG risks;
- the **Compliance Department** monitors compliance with applicable regulations, ensuring the correct application of legal provisions and internal governance policies;
- the **Anti-Money Laundering Department** manages the risk of money laundering and terrorist financing by defining procedures for customer verification and the prevention of suspicious transactions.

For further details on the role of Departments, please refer to the Report on Operations in sections "6.7 - Internal Audit Function", "6.8 - Risk Control Function", "6.9 - Compliance Function" and "6.10 Anti-Money Laundering Function".

All control functions report regularly to the Board of Directors, providing analyses and up-to-date information on the status of regulatory compliance, risk management and the adequacy of control strategies. The reports and periodic documentation enable the administrative, management and supervisory bodies to monitor the effectiveness of the strategies adopted, intervene promptly in the event of critical issues and take corrective measures to ensure compliance with governance and sustainability standards.

The governance system of the Cassa Centrale Group is structured to ensure transparency, reliability and integrity, strengthening the trust of members, customers and stakeholders.

In selecting the members of the Board of Directors and other Control Bodies, the Cassa Centrale Group has established specific criteria to ensure a balanced and appropriate composition. To this end, it has defined and approved the "Model for Defining the

Optimum Qualitative and Quantitative Composition of the Board of Directors”, i.e. a theoretical optimal profile for candidates, identifying the skills, experience and characteristics deemed most appropriate for these roles. The Model establishes that the following criteria and/or requirements must be met in the composition of the Board:

- **professionalism and expertise** in a number of appropriately identified areas (e.g. banking and financial markets, organisational and corporate governance structures, regulatory environment, ESG etc.);
- **respectability and fairness;**
- **formal independence and independence of judgement;**
- **availability of time and compliance with the limit on the accumulation of positions;**
- **collective suitability of the body** (e.g. gender diversification).

The objective is to ensure that top-management bodies — both following the appointment process and on an ongoing basis — include individuals who can ensure that the role assigned to them is performed effectively. To do this, it is necessary to clearly define the professional characteristics needed to achieve this result beforehand, and possibly review them over time to take into account any critical issues, and for the candidate selection and appointment process to take this information into account. The Cassa Centrale Group’s strategic supervisory, management and control bodies must operate in full awareness of their powers and obligations, in line with Bank of Italy regulations and European guidelines. For more information on the composition and structure of governance, please refer to section “1. General Disclosures”, chapter “1.2 Governance”, paragraph “1.2.1 Administrative, management and supervisory bodies”. The roles played by the respective bodies are also detailed in the Report on Operations, in paragraph “1.3 Corporate Governance”.

4.1.2 Management of impacts, risks and opportunities

4.1.2.1 Processes to identify and assess material impacts, risks and opportunities

[ESRS G1 IRO-1]

Through its double materiality analysis, the Cassa Centrale Group has identified and assessed material impacts in relation to business conduct. With regard to this information and for further details, please refer to section “1. General Disclosures”, chapter “1.4 Management of Impacts, Risks and Opportunities”, paragraph “1.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model”.

The Group has not identified any specific risks or opportunities related to business conduct. This is mainly due to the extensive and structured regulation of the sector, which contributes to a clear and structured regulatory framework, reducing uncertainty and limiting the actions available to credit institutions.

4.1.2.2 Corporate culture and business conduct policies

[ESRS G1 G1-1]

[ESRS 2 MDR-P]

[ESRS 2 MDR-M]

In carrying out its activities, the Cassa Centrale Group has adopted various instruments and policies to ensure transparent business conduct and, specifically, compliance with the ethical principles and cooperation, which are inherent in its corporate purpose. Specifically, the Code of Ethics is an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, drew up Whistleblowing Regulations and adopted an Anti-Corruption Policy. Affiliated Banks and Subsidiaries have implemented and adopted the same documents and internal regulations as the Parent Company. The Board of Directors is responsible for overseeing the implementation of these policies.

The Cassa Centrale Group aims to contribute to the economic, social and cultural development of local communities and, combining management autonomy and central guidance, bases its activities on the values of Cooperative Credit:



**THE PERSON
IS KEY AND
CENTRAL**



COMMITMENT



AUTONOMY



**PROMOTION OF
PARTICIPATION**



COOPERATION



**USEFULNESS,
SERVICE AND
BENEFITS**



**PROMOTION
OF LOCAL
DEVELOPMENT**



**PERMANENT
TRAINING**



SHAREHOLDERS



DIRECTORS



EMPLOYEES



YOUNG ADULTS

Code of Ethics

The Group has equipped itself with a Code of Ethics that sets out the principles and rules of conduct it undertakes to follow in carrying out its activities. Specifically, the Code of Ethics provides guidance to employees, executives, other personnel and partners on how to ensure transparency, integrity and social responsibility in company management. It also guides business decisions in an ethical and responsible manner, preventing misconduct such as corruption, conflicts of interest and discrimination, and promoting trusting relationships with customers, members, suppliers and institutions.

The Code of Ethics is approved by the Parent Company's Board of Directors and adopted by all Affiliated Banks and Subsidiaries. The Code of Ethics is binding for all the companies of the Cassa Centrale Group and for all its corporate executives, employees and collaborators, who are required to comply with its general principles. There are also control mechanisms for which each entity must ensure knowledge and application of the Code. Employees receive a copy of it at the time of employment and compliance is monitored by the relevant company departments. Conduct in breach of the Code may lead to disciplinary measures proportionate to the severity of the violation.

The Code of Ethics of the Cassa Centrale Group is based on a number of key principles, listed below.

- **legality:** always respecting the laws and regulations in force;
- **integrity and transparency:** avoiding conflicts of interest, corruption and malpractice;
- **equity and inclusion:** promoting equal opportunities, avoiding discrimination and harassment, protecting workers' rights and valuing staff;
- **sustainability as a strategic value:** operating responsibly in relation to the environment and society, specifically by developing sustainable financial products;
- **social responsibility:** contributing to the economic and cultural development of local communities.

The Code of Ethics is also taken into account during the implementation of specific agreements, in order to assess alignment of values with other partners.

The Code of Ethics is available for consultation on the Parent Company's website www.cassacentrale.it in the Governance section.

231 Model

The Code of Ethics is an integral part of the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 (the "231 Model") adopted by Cassa Centrale Banca in 2008 and constantly updated to take into account legislative changes, changes affecting the organisational structure or the operating context, and any other circumstances in which the Company deems it necessary. The Model defines the control mechanisms aimed at preventing the crimes pursuant to Italian Legislative Decree 231/2001, including those that constitute corruption, and contributes to improving corporate governance and mitigating any reputational or image risks. The main objectives of the Model are to disseminate knowledge of the offences set out in the decree, to strengthen awareness of risks and internal rules, and to ensure correct business conduct. With creation of the Cooperative Banking Group, the Parent Company adapted its Model to respond to the new governance structure. Along with the adoption of the Model, Cassa Centrale Banca assigned the functions of the supervisory body pursuant to Decree 231/2001 to the Board of Statutory Auditors.

The Parent Company has also issued and disseminated to the entire Group the document entitled "Guidelines on the administrative liability of entities within the Group". Among other things, this document requires each Group Company to periodically assess its exposure to the risk of offences being committed. Once risk-assessment activity has been completed, where it emerges that there is a not insignificant risk of any of the offences being committed, the Company itself shall adopt an 231 Organisational Model, in line with the Guidelines. Moreover, Group Companies subject to the oversight of a Supervisory Authority, must adopt their own Management and Control Model and periodically assess the risks of breaches, updating their preventive measures. Each Group Company is required to appoint its own Supervisory Body, which is assigned similar functions.

For further information on the aforementioned Model, please refer to the Report on Operations, paragraph "8.6 Organisation, Management and Control Model" for the purpose of preventing offences pursuant to Legislative Decree No. 231/2001.

Conflicts of interest

One of the aspects governed by the Code of Ethics and the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 is conflicts of interest. The regulation of conflicts of interest is of primary importance, both in the exercise of banking activities and in the provision of investment services, and with reference to the governance of the Group and the various situations of interest that may concern Corporate Executives in Group Companies. As such, the Group adopts a prudential approach in managing conflicts of interest that may arise from the presence of representatives of the governance bodies of Affiliated Banks in the bodies of the Parent Company. In fact, the Parent Company, in compliance with the provisions of the Supervisory Provisions for Banks (Bank of Italy Circular 285 of 17 December 2013), has adopted its own Group Regulation for the Management of Conflicts of Interest (updated in 2022), through which it defines the principles for the management of any conflicts of interest that may arise among the various components of the Cooperative Banking Group. This Regulation describes the procedures and organisational measures to manage situations of interest relevant to the Group's governance, including

obligations upon corporate executives pursuant to Art. 136 of the Consolidated Law on Banking (TUB), referring, with regard to the performance of risk-associated activities and other transactions with connected parties and the related obligations, to the Group Regulations on Related Party Transactions. The Group's rules and regulations also govern, through specific policies and regulations, the organisational and control measures to prevent and manage conflicts of interest in the provision of investment services to customers, as well as those that may potentially arise between granting of loans and equity investments.

Other policies on business conduct

The set of guidelines defining the Group's operational conduct in accordance with the spirit of honesty, professionalism and transparency are also summarised in the Anti-corruption Policy adopted by the Group. This policy describes the Group's approaches to inspire, regulate and control the conduct of those covered by the policy, in order to mitigate and prevent the risk of violations of bribery and corruption regulations (see section below "4.1.3.1 Anti-Corruption Policy"). Further policies related to respecting the rights of its stakeholders, privacy and fair business practices, as well as transparency and consistency in the company's activities, have been reported in the topic-specific chapters of the social section.

Training on business ethics and conduct

[ESRS G1 G1-1]

In order to raise awareness and increase understanding of ethical issues, including anti-corruption, Cassa Centrale Banca provides specific training, to all those covered by the policies, on the content of the Code of Ethics and the 231 Model (see paragraph "4.1.3.1 Anti-Corruption Policy" below).

Mechanisms for reporting misconduct

[ESRS G1 G1-1]

The Parent Company has made available channels for reporting possible misconduct and non-compliance with Group policies. These reporting channels are detailed within the social section, in the chapters on "Impacts and reporting channels". The possibility of reporting is available to anyone who is aware of alleged violations and is involved in company activities, whether they are: an employee (even when the legal relationship has not yet begun, if information on violations was acquired during the selection process or in other pre-contractual stages or during the probationary period) or a self-employed person, an individual with a professional collaboration relationship as referred to in Article 409 of the Code of Civil Procedure (e.g. agency relationship) and Art. 2 of Legislative Decree 81/15 (collaborations organised by the principal); a volunteer or trainee (paid and unpaid); a member as a natural person; a person with an administrative, control, supervisory or representative function. For reporting purposes, the legal relationships indicated above must be with Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A..

In order to ensure that the person receiving the report is not hierarchically or functionally subordinate to any reported person, the person making the report must indicate the area of competence of the facts he/she intends to submit a report on. Consequently, the reporting party has the option of using either the ordinary channel or an alternative channel, which is only activated in cases where the alleged perpetrators of the violation are members of the Board of Auditors, the various Heads of Internal Reporting Systems or their collaborators.

Responsibility for managing the reporting channel of each Group Bank or Subsidiary lies with the Head of Internal Reporting Systems of the respective Bank or Company. An IT platform can be used, in accordance with the guidelines provided by the Parent Company and the Group's Bank or Subsidiary. A user manual for reporting is also available from the Parent Company at www.cassacentrale.it. The document details how reports can be submitted. Specifically, reports of wrongdoing may be made either in written or oral form, describing in detail the alleged unlawful acts or conduct by filling in a form and answering a series of open and closed-ended questions or by voice recording, respectively. The information requested is initially of a preliminary nature and concerns the reporting party, before subsequently investigating the time and place of the offence and who carried it out. The manual and the computer platform guide the reporting party step by step not only through practical steps of how to carry out the report (e.g. by the choice of response via a drop-down menu) but also by clearly and comprehensively expressing

the subject matter and methods associated with the offence. It is also possible to submit an anti-money laundering report via the dedicated platform.

As regards the handling of internal reports, the Manager sends the reporting party an acknowledgement of receipt and may request further information (except in the case of anonymous reports). The reporting party may also view the information entered or listen to the voice recording and check the status of the report and any messages exchanged with the Head of Internal Reporting Systems who, within 90 days from the date of confirmation of receipt, will provide a response on the report.

The reporting channel for non-compliant actions is detailed in the following section on the Group Whistleblowing Regulations.

Generally speaking, the penalties issued are of minor entity and refer mainly to findings in tax matters and residually to administrative and social security matters.

Cases of non-compliance occurring during the reporting period

SIGNIFICANT INSTANCES OF NON-COMPLIANCE THAT OCCURRED DURING THE REPORTING PERIOD	UoM	31/12/2024
Cases during the reporting period for which fines were imposed (only those with an amount EUR >1,000)	no.	14
Cases occurring during the reporting period for which non-monetary sanctions were imposed		-
Total		14

Payments of fines for cases of non-compliance

FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS THAT WERE PAID DURING THE REPORTING PERIOD	31/12/2024	
	Number	Value
	no.	Euro
Fines for non-compliance occurring during the reporting period	14	37,602
Fines for non-compliance in previous reporting periods	42	443,651
Total	56	481,253

Metrics

Penalties/fines in excess of EUR 1,000 referring to the year 2024 were taken into account, divided by accrual period.

Amounts related to monetary sanctions are included in Other administrative expenses reported in the Consolidated Explanatory Notes in Section 12 of Part C "Information on the consolidated income statement", in Table "12.3 Other administrative expenses: breakdown", within the item "Other administrative expenses – Other".

Group Whistleblowing Regulations and protection of whistleblowers

[ESRS G1 G1-1]

[ESRS 2 MDR-P]

As of 2021, all Affiliated Banks and Subsidiaries of the Cassa Centrale Group have adopted a **Group Whistleblowing Regulations**, with the aim of defining a clear procedure for the handling of internal whistleblowing. In 2023, the Regulation

was updated to incorporate the provisions of Legislative Decree No. 24 of 10 March 2023, which broadened both the scope of reportable violations, including a larger number of additional offences, and the category of persons authorised to report by extending protection to new persons involved in the entity's activities.

The adoption of the Whistleblowing Regulations demonstrates Cassa Centrale Banca's and the Group's commitment to a corporate culture based on integrity and transparency, preventing and countering unlawful conduct that could compromise the Group's stability and reputation, and ensuring an effective system for reporting and handling violations, protecting whistleblowers.

The Regulation provides detailed guidelines for reporting acts, facts or behaviour that may constitute a violation, including:

- **breaches of internal and external rules governing banking, financial or insurance distribution activities**, including related and instrumental activities;
- **breaches of the principles and rules of conduct contained in the Code of Ethics;**
- **breaches of the 231/2001 MOG** (Group Operational Machine) of the respective Company;
- **breaches of anti-money laundering rules**, involving personnel or Corporate Executives in the performance of their professional duties.

The Regulations are binding for all employees, personnel and stakeholders of the Group who are involved in company activities and have knowledge of potential violations. The Rules, therefore, outline the tasks and responsibilities not only of the Parent Company, but also of Affiliated Banks and Subsidiary Companies in reporting operations.

In order to ensure maximum security and confidentiality, the Regulation lays down specific safeguards in favour of both the reporting party and the reported person. First and foremost, confidentiality protection: the information transmitted is treated with the utmost confidentiality and protected by a secure management system. Moreover, it includes protection against retaliation and discrimination: the whistleblower may not be subject to penalisation, demotion, dismissal or other forms of retaliation as a result of their report.

The process, supported by a specific IT procedure which archives data in encrypted and protected form, is broken down into the following phases:

- **entry and sending of the report;**
- **receipt, review and assessment;**
- **definition of intervention measures;**
- **archiving;**
- **management of the Register of reports received;**
- **preparation of the Annual Report.**

The Group Whistleblowing Regulations assign the Head of Internal Reporting Systems with the task of providing clear and immediate information on the channel, procedures and prerequisites for making internal and external reports. The Regulation specifies in particular that the information must be displayed and made easily visible through publication in a dedicated section of the Bank's website. It is also stipulated in the Regulation that training initiatives must be organised for corporate executives and staff on the functioning of the Internal Reporting System.

As mentioned in the previous section, the user manual on sending reports and further information on the Whistleblowing Regulations can be found on the Parent Company's website www.cassacentrale.it.

Human Rights Policy

[ESRS G1 G1-1]

[ESRS 2 MDR-P]

In all of its activities, the Cassa Centrale Group pursues the principles of legality, morality, professionalism, dignity and equality, ensuring respect for fundamental human rights throughout the value chain. The Group has adopted the Human Rights Policy with the intention of providing a preventive framework to guide, regulate and monitor the conduct to which all recipients are bound. Particular reference is made to respect for fundamental human rights, as well as the issues of safe employment, adequate working hours, training and skills development necessary to educate and inform its employees on compliance with the principles of the Policy.

The organisation attaches primary importance to the protection of minors and the repression of exploitative behaviour of any kind towards them, defining the exploitation of minors as well as other classes of workers as “unacceptable”. The Cassa Centrale Group also rejects all forms of forced, compulsory or bonded labour.

In labour relations, within and external to the Group, acts of psychological violence, discriminatory or personally harmful attitudes or behaviour are not permitted, regardless of gender, age, sexual orientation, race, nationality, physical or socio-economic condition, religious belief or political opinions. The appointed corporate functions ensure compliance with the principle of non-discrimination, adopting appropriate measures to prevent any form of favouritism, nepotism or patronage in every stage of the employment relationship. In drafting the Policy, the Group was guided by regulations and high levels of national and international standards on ethics, human rights and social responsibility. Key references include: Legislative Decree 231/2001, EU Regulation 2016/679 (GDPR), the European Convention on Human Rights and the UN International Bill of Human Rights. Furthermore, the Group is guided by the principles of the ILO Declaration on Fundamental Labour Rights, the UN Global Compact and the UN Convention on the Rights of the Child.

Supervisory responsibility for the Human Rights Policy lies with the Board of Directors. The Policy applies to a wide range of entities involved in the activities of the Cassa Centrale Group, including the value chain both upstream and downstream. Specifically, the Policy addresses corporate bodies, executives, employees, financial advisers and other personnel and all those who operate under the control of Group Companies or are involved in the provision of investment services and activities. This includes consultants, suppliers, business partners and natural persons involved in outsourcing arrangements for the provision of such services. The Policy also extends to persons representing the Group with entities, bodies and investee companies, as well as all third parties with which the Group has relations, in compliance with current legislation and existing agreements. Suppliers of goods and services used by the Group are also required to comply with the principles established.

For further information and a detailed description of the policies in place, please refer to the document “2024 Human Rights Policy” available on the Cassa Centrale Banca website at the address www.cassacentrale.it, in the Governance section.

4.1.3 Business ethics and integrity

4.1.3.1 Prevention and detection of corruption and bribery

[ESRS G1 G1-3]

[ESRS 2 MDR-M]

Anti-Corruption Policy and mechanisms for investigating business conduct

[ESRS G1 G1-1]

[ESRS 2 MDR-P]

The Cassa Centrale Banca Group recognises the importance of pursuing the principles of legality, morality, professionalism, integrity and transparency, in line with its business aims. The Group has also recognised corruption as one of the main obstacles to economic, political and social development in the sphere in which it operates. On this basis, with resolution of the Board of Directors No. 635 of 6 February 2019, the Parent Company approved the Anti-Corruption Policy, which is available on Cassa Centrale Banca's website at www.cassacentrale.it in the "Sustainability" section. The Board of Directors is responsible for supervising the implementation of the Anti-Corruption Policy. The aforementioned document is drawn up by the Group with the intention of providing a preventive framework to guide, regulate and monitor the conduct to which all recipients (e.g. corporate executives, personnel, third parties having relations with the companies) are bound, in order to mitigate the risk of breaches of rules on corruption and prevent such actions.

The Policy applies to all members of the Cassa Centrale Group, including employees, executives, other personnel, suppliers and partners, and has also been adopted by its Subsidiaries and Affiliated Banks. It defines principles and guidelines to prevent the risk of corruption in accordance with regulations such as Legislative Decree no. 231/2001, the ISO 37001:2016 standard "Anti-bribery management systems" and the UN Global Compact.

The Group encourages the introduction of and compliance with the principles in the policy by all recipients. Specifically, these include:

- no tolerance of any form of corruption, whether active or passive, direct or indirect;
- prohibition of gifts and complementary items exceeding EUR 250 and the requirement to report any offers received;
- strict compliance with rules in relations with Public Authorities, prohibiting facilitation payments and corrupt practices;
- transparent management of conflicts of interest, with an obligation to report any situations of risk. For instance, in order to avoid acts of corruption through illicit payments, payments are not made directly by senior figures and/or personnel, but through persons acting on their behalf;
- monitoring of relationships with third parties, including suppliers and consultants, through reputation and legitimacy checks;
- prohibition of political and trade-union funding, except for small donations of modest value such as gifts or invitations, as detailed in section 4.1.3.2 "Political influence and lobbying", below;
- traceability of accounting operations, with the obligation of detailed and verifiable documentation;
- oversight of business travel, with prohibition on the payment of expenses, including those related to business trips, to representatives of public authorities, public officials and public-service employees. Business trips of employees and third parties must comply with the provisions of the Business Travel and Courses Regulations;
- Group commitment to ensuring that its accounting records are accurate and reliable and do not contain false or misleading information;
- adoption by the Group of criteria of merit, competence and evaluation of individual abilities and potential in selection, recruitment and training of personnel.

The Group ensures the prevention, identification and management of any allegations or cases of corruption or bribery through the involvement of the relevant functions. Given the non-material nature of the issue, the Group does not have specific proce-

dures in place to prevent corruption and bribery (in addition to the provisions of the Whistleblowing Regulations), however all internal regulations are structured to prevent such risk.

On the basis of analyses carried out in the sphere of the 231 model to identify risks connected with corruption offences (Arts 318, 319, 319a, 319b, 231 of the Civil Code), corruption between private individuals and instigation of corruption (Arts 2635 and 2635a of the Civil Code) the most at-risk functions in the majority of the companies within the reporting scope were deemed to be those involved in the following processes: credit, collections and payments, marketing and business development, human resources, technical and logistical support to procurement, funding and deposit services, institutional communication and promotion, legal and tax consultancy and support, administration and tax, management of corporate bodies.

The Group carries out numerous activities to support employee training and information for the implementation of this Policy. These include not only communication activities to make all the addressees aware of this document, but also mandatory periodic training activities, ensuring that they understand the issues covered and the risks associated with corruption.

In particular, the Group provided specific training on the Code of Ethics, 231 Model and AML with a focus on anti-corruption. This training was provided to employees according to their role. Training covered the ways in which the Group manages relations with customers and suppliers and the rules and prohibitions when dealing with Public Administrations and Supervisory Authorities. Training was also provided on the new indicators for detecting abnormal transactions among Banks' customers.

Training on corruption and bribery given to employees in risk and non-risk functions; percentage of risk functions, as described above, covered by training programmes

PREVENTION OF CORRUPTION AND BRIBERY	31/12/2024	
	Functions at risk	Other employees
Employees	5,480	6,804
Employees receiving anti-corruption and bribery training	3,732	3,951
Total training hours on preventing corruption and bribery	5,469	4,491
% training coverage	68.1%	58.1%

Training on preventing corruption and bribery provided to members of administrative, management and supervisory bodies

PREVENTION OF CORRUPTION AND BRIBERY	31/12/2024	
	Parent Company Corporate Executives	Corporate Executives of BCC Banks and Other Group Companies
Corporate Executives	18	824
Recipients of training on prevention of corruption and bribery	-	240
Total training hours on preventing corruption and bribery	-	678
% training coverage	-	29.1%

Metrics

The distinction between risk and non-risk functions was assessed by each individual Bank/Group Company.

The hours of training courses containing anti-corruption topics were taken into account as no courses entirely dedicated to the subject were delivered. For example, the subject was addressed in the context of training courses on the 231/01 Organisational Model and anti-money laundering.

Incidents concerning the conduct of the company in relation to non-compliance, critical and undesirable situations or other issues related to anti-corruption may be reported using the same channels governed by the Group Whistleblowing Regulations, as set out in the 231 Models of all Group Companies and the Anti-Corruption Policy.

In compliance with regulatory requirements, Group companies appoint a Head of Internal Reporting Systems with an appropriate degree of independence. The Head is not involved in the adoption of any decision-making measures, which are referred to the competent corporate functions or bodies. Provision is also made to ensure that the person in charge of receiving the report is not hierarchically or functionally subordinate to the reported person, is not himself the alleged perpetrator of the violation and does not have a potential interest related to the report such as to compromise impartiality and independence of judgement. The Chairman of the Board of Directors is responsible for handling reports that identify the Chairman and/or members of the Board of Statutory Auditors as the alleged perpetrator of the violation (and vice versa, in the case of reports referring to the Board of Statutory Auditors).

As discussed in greater detail in the section “4. Information on Governance”, chapter “4.1 Business Conduct”, paragraph “4.1.2.2 Corporate culture and business conduct policies”, which covers whistleblowing, the Head of Internal Reporting Services of Cassa Centrale Banca, Affiliated Banks and Subsidiaries draft an annual report on the proper functioning of the Internal Reporting Systems procedure containing, in anonymous form, aggregated information on the results of activities carried out after reports are received, highlighting the number of investigations performed and the types of measures adopted. The report is approved by 28 February of each year by the Board of Directors and the Board of Statutory Auditors of the individual Bank or Group Company, made available to personnel and promptly forwarded to the Parent Company.

Documented incidents of bribery or corruption

[ESRS G1 G1-4]

[ESRS 2 MDR-M]

During 2024, there were no convictions and/or fines for breaches of corruption and bribery laws.

No bribery incidents at the Parent Company or its affiliated companies were documented during the year. In addition, there were no new public prosecutions for active or passive corruption brought against the company and its own employees during the reporting period.

4.1.3.2 Political influence and lobbying

[ESRS G1 G1-5]

[ESRS 2 MDR-M]

The Group does not make direct or indirect contributions to political or trade union parties, movements, committees and organisations, or to their representatives and candidates. The Group therefore does not engage in lobbying or financing of political parties. In 2024, a contribution of less than EUR 250 was made for the organisation of a local event, which is not material and does not qualify as lobbying.

Interest representation is delegated to the association component of Cooperative Credit (Federcasse), of the Italian banking system (ABI) and, for matters concerning cooperatives, to the ConfCooperative Representative Organisation.

Furthermore, none of the members of the Board of Directors or Control Bodies is a politically exposed person. Specifically, none of the Board members held significant positions in the two years preceding their appointment (i.e. equivalent to administrative, management and supervisory activities) for Public Authorities.

4.1.4 Management of relationships with suppliers

[ESRS G1 G1-2]

In the Cassa Centrale Group, supplier management plays a strategic role in ensuring the operational efficiency, security and sustainability of the entire banking system. The Group's suppliers include the following key categories:

- **digital services, ICT and security:** include specialised partners for the management and maintenance of ICT systems, including software, hardware, cybersecurity and telecommunication services. Software user licences, digital archiving services and data centre operations also fall into this category;
- **consulting services:** include providers of financial, legal, tax, marketing and strategic consulting services, as well as audit, compliance and risk management activities. They also include debt collection and financial analysis consultants;
- **operational services:** include all activities required for day-to-day operations of Affiliated Banks and the Parent Company, such as facility management services, building work and maintenance of infrastructure. It also includes cleaning and hygiene services for offices;
- **services for procurement of materials, capital goods and logistics:** includes suppliers of consumables such as stationery, printed materials, office equipment, technological devices and capital goods required for banking operations. This also includes cash in transit, warehouse operations and logistics services.

All suppliers are registered in a single Group Supplier Register, on a purchasing management platform, and are classified according to their economic activity and product category. The Supplier Register is managed for the benefit of all Group companies and contains a wide variety of local and national suppliers. Suppliers go through an accreditation process with initial verification of personal, administrative and reputational documents. There is also analysis of the adequacy profiles of suppliers involved in activities that could have health and safety implications.

In order to mitigate possible supply-chain risks, in 2024 Cassa Centrale Banca published the "Group Third-Party Risk-Management Regulation", which describes the Group's Third-Party Risk-Management Framework. The objective, in accordance with current regulations, is to ensure and regulate prudent management of third-party risk and an adequate and controlled operating environment, seeking to prevent the emergence of situations of excessive exposure to the same risk.

Management of suppliers is also based on environmental and social sustainability criteria, favouring responsible practices and careful selection of ethical standards. All suppliers are asked to provide a self-declaration of acceptance of the Code of Ethics and ESG policies. In addition, strategic suppliers are required to acquire ESG certifications. For ordinary and strategic suppliers, an ESG overview score is assigned through a national InfoProvider, which assesses several risk categories, including ESG risk, physical risk and transition risk. The outcome of the analysis, together with its economic-financial evaluation, leads to the definition of an overall score for the supplier. In addition, each supplier is interviewed and a reputational analysis is regularly carried out. In particularly significant negotiations, ESG criteria are already included in the selection phase, representing a determining factor for the inclusion or exclusion of a supplier in contracting processes.

Where possible, the Group selects a panel of suppliers, leaving it up to the individual Banks to choose which supplier to utilise (e.g., this approach was adopted for the procurement of electricity, gas and workplace-related products). Some expenditure categories, which are typically local, are not managed at Group level, so as to favour the generation of local value, a distinctive feature of Cooperative Credit. This procurement strategy diversifies operational risk in the event of a critical issue in the provision of a service or product by a single supplier. In addition, the individual Banks may select and decide to rely on additional suppliers (always subject to registration, analysis and qualification procedures within the Group Supplier Register), provided that they furnish the Parent Company with a report stating the rationale behind their choice. The latter can be driven, for example, by establishment in the area and consequently the desire to support the local economy.

In 2024, the Group undertook training for Purchases employees to adequately inform them about the above-mentioned criteria in order to make well-considered procurement decisions while limiting supply chain risks.

The Group also has an open dialogue with its suppliers, either through communication by e-mail, telephone or through meetings at the supplier's or the Group's premises. In addition, for critical supplies (e.g. those defined as essential or important functions within the definition of the EBA outsourcing guidelines), the possibility of on-site or remote auditing is contractually required.

In 2025, Cassa Centrale Banca plans to reinforce active management of suppliers, taking into account additional ESG factors, including:

- drafting of a Code of Conduct for suppliers;
- the opportunity to run a questionnaire for a subset of suppliers in order to better understand the specifics of their ESG profile.

Prestipay and Supplier management

In relation to the management of relationships with suppliers, Prestipay not only adopted the Group's expenditure management regulations but also defined an internal purchasing procedure. The Subsidiary performs:

- **assessment of suppliers prior to signing a contract;**
- **spot checks by Internal Audit function;**
- **continuous monitoring of SLA compliance by process owners.**

The main assessment activities include verifying the supplier's financial soundness to minimise default risks, checking their reputation, analysing their operational capabilities, assessing compliance with industry-specific regulations (environmental, legal, ethical, etc.) and monitoring management of their supply chain.

Spot checks by the Internal Audit function, on the other hand, include verification of documentation (e.g. contracts, invoices and quality certificates), process checks (including the assessment of suppliers' actual operations against contractual agreements) and inspections of supplier premises.

The final step, regarding continuous monitoring of SLA compliance, is carried out by analysing and evaluating the supplier's performance in relation to SLAs, monitoring agreed metrics (e.g. service levels, delivery times, product availability, etc.), automated monitoring tools, and regular communication with suppliers to discuss performance and address any critical issues.

Targets and objectives

[ESRS 2 MDR-T]

The Cassa Centrale Group recognises the importance of responsible supply-chain management and is committed to ensuring supplier selection and management processes are aligned with ESG sustainability principles. Within the framework of the Sustainability Plan, clear objectives have been defined to promote a more sustainable and responsible approach with suppliers, focusing particularly on environmental, social and governance criteria.

With this in mind, the Group has set two goals to be achieved by 2026:

- **ESG assessment of suppliers:** 100% of standard and strategic suppliers will be assessed according to sustainability criteria, ensuring that their practices are in line with the ethical and social responsibility principles promoted by the Group;
- **sustainability in critical supplies:** 100% of supplies of goods and services under the Framework Agreement, which by their nature have significant ESG impacts (in terms of raw materials, production and management), will be monitored and managed to ensure that they meet stringent sustainability standards.

4.1.4.1 Payment practices

[ESRS G1 G1-6]

[ESRS 2 MDR-M]

The Group does not have any specific policies on the timing of payments; payment terms normally establish a deadline of 30 days from the invoice date and the use of bank transfers.

The percentage of payments that do not meet the standard deadlines is mainly attributable to invoices without a due date or with an on-demand mechanism, due to the technical delays in the payment authorisation process.

Any specific requests are handled by involving the purchase contact persons for timely resolution. In this regard, it should be noted that NEAM has adopted and keeps updated an Accounting Policy governing payment methods to major suppliers. In particular, remuneration is handled quarterly for delegated managers and distributors.

The average time taken by the company to pay an invoice from the date on which the contractual or legal payment deadline starts to be calculated, expressed in number of days, the percentage of payments meeting standard payment terms and the number of legal proceedings currently pending due to late payment

PAYMENT PRACTICES	UoM	31/12/2024
Average invoice payment time	no. days	25.2
<i>of which, SMEs</i>	no. days	23.0
<i>of which, Other companies</i>	no. days	27.3
% of payments meeting standard terms	%	67.7%
<i>of which, SMEs</i>	%	65.4%
<i>of which, Other companies</i>	%	69.8%
Pending legal proceedings due to late payment	no.	-
<i>of which, SMEs</i>	no.	-
<i>of which, Other companies</i>	no.	-

Metrics

To calculate average days before payment, the difference between the date of payment and the date of receipt of the invoice was calculated. With regard to payment deadlines, invoices paid within three days after the due date are considered paid on time. Where the due date was not specified on the invoice, the date of receipt or the standard no. of days applied by the suppliers, even if not formally established, was considered as the due date.

If the payment was made by direct debit/advance transfer, it was considered as paid on time even if the entry in the accounts occurred at a later date due to handling limitations.

Independent Auditors' Report on the Consolidated Sustainability Statement of the Cassa Centrale Group

**INDEPENDENT AUDITOR'S
REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORT
PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010**

**To the Shareholders of
Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A.**

Conclusion

Pursuant to arts. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the “Decree”), we have carried out a limited assurance engagement on the consolidated sustainability report of the Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group (hereinafter also the “Group”) for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the management report.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report of the Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also “ESRS”);
- the information included in the paragraph “*European Taxonomy*” of the consolidated sustainability report is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the “Taxonomy Regulation”).

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - “*Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)*”. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement. Our responsibilities pursuant to that standard are further described in the paragraph *Auditor’s responsibilities for the limited assurance of the consolidated sustainability report* of this report.

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We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability report.

Our firm applies International Standard on Quality Management (ISQM Italia 1), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The comparative information for the year ended on December 31st, 2023 presented in the consolidated sustainability report in the paragraph “European Taxonomy” has not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. for the consolidated sustainability report

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability report in accordance with the ESRS (hereinafter the “double materiality assessment process”) and for disclosing this process in the paragraph “Management of Impacts, Risks and Opportunities - Double materiality analysis process” of the consolidated sustainability report.

The Directors are also responsible for the preparation of the consolidated sustainability report, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS;
- compliance of the information included in the paragraph “European Taxonomy” with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability report in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Inherent limitations in the preparation of the consolidated sustainability report

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions, as described in the consolidated sustainability report, regarding events that may occur in the future and possible future actions of the Group, as indicated in the paragraph *“Disclosures in relation to specific circumstances – Sources of estimation and outcome uncertainty”*. Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, the variances between actual outcomes and forward looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain, as indicated in the paragraph *“Disclosures in relation to specific circumstances – Sources of estimation and outcome uncertainty”*.

Auditor’s responsibilities for the limited assurance of the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability report is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability report.

As part of the limited assurance engagement in accordance with the *Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)*, we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability report where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability report. We remain solely responsible for the conclusion on the consolidated sustainability report.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability report are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability report, including an analysis of the reporting perimeter;
- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the estimates and to the complexity of the related calculation methods, as well as qualitative and quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte specialists, with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible exposures and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability report;
- comparison of the information reported in the consolidated sustainability report with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data accounting in nature;

- verification of the structure and presentation of the information included in the consolidated sustainability report in accordance with ESRS, including the information related to the materiality assessment process;
- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.,

Signed by
Enrico Gazzaniga
Partner

Milan, Italy
April 29th, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Independent Auditors' Report on the Consolidated Financial Statements of the Cassa Centrale Group

**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A.**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. and its subsidiaries (the “Group”), which comprise the consolidated balance sheet as at December 31, 2024, the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated equity, the consolidated cash flow statement for the year then ended, and the consolidated explanatory notes, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and to art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. (the “Bank”) in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Classification and valuation of loans to customers for financing measured at amortised cost
Description of the key audit matter

As indicated in the consolidated explanatory notes “Part B - Information on the consolidated balance sheet – Section 4 of Assets” and in the report on consolidated operations in the Chapter “Operating performance of the Cassa Centrale Group” – paragraph “Credit Quality”, the gross amount of loans to customers for financing measured at amortised cost as at December 31, 2024 is equal to Euro 50,657 million (of which Euro 1,793 million of non-performing loans), reduced by adjustment provisions of Euro 2,081 million (of which Euro 1,451 million related to non-performing loans), resulting in a net amount of Euro 48,576 million (of which Euro 342 million of non-performing loans).

Furthermore, the report on consolidated operations shows that the coverage ratio of the aforementioned loans to customers as at December 31, 2024 is equal to 4.1%. More specifically, in accordance with the allocation required by IFRS 9 “Financial Instruments”, the coverage ratio of performing exposures, classified in “First Stage” and “Second Stage”, is equal to 1.3%, while the coverage ratio of non-performing exposures, classified in “Third Stage”, is equal to 80.9%.

The consolidated explanatory notes “Part A – Accounting Policies” and “Part E – Information on Risks and Related Hedging Policies” describe:

- the processes and the classification criteria of credit exposures adopted by the Group in compliance with the current provisions of the Supervisory Authorities and in accordance with the applicable accounting standards;
- the measurement criteria of loans to customers for financing measured at amortised cost as well as the estimate methods of the expected credit losses and for determining the consequent loan loss provisions based on the allocation of credit exposures among the three reference stages.

Furthermore, it also be noted that the credit monitoring processes and controls adopted by the Group as part of its policies for managing loans to customers provide, moreover, a more structured segmentation into homogeneous risk clusters. In this regard, in addition to the valuation purposes, in particular, the uncertainties arising from the current macroeconomic context were taken into account.

In 2024, in fact, the aspects of uncertainty were worsened by the continuation of geopolitical tensions, the volatility of energy prices, the complexities and instabilities reflected in the real growth perspectives of certain markets and sectors to which the Group is exposed, conditioned by the national and European economic framework as well as by monetary policy transmission mechanisms.

Considering the significance of the amount of loans to customers for financing measured at amortised cost recorded in the financial statements, the complexity of the monitoring process of the credit quality and of the estimation process of the expected credit losses adopted by the Group, which also took into account, in the current macroeconomic context, the application of certain fine tuning and specific overlays to the IFRS 9 Impairment model, and the relevance of the discretionary components inherent in such processes, we considered the classification and valuation of loans to customers for financing measured at amortised cost as a key audit matter of the consolidated financial statements as at December 31, 2024.

Audit procedures performed

The main audit procedures performed, also supported by specialists of the Deloitte Network, were as follows:

- analysis of the lending process with particular reference to the recognition and understanding of the organizational and procedural controls set up by the Group to ensure the monitoring of credit quality and the correct classification and measurement of the credit exposures in accordance with the regulatory framework, the internal policies and applicable accounting standards;
- check the implementation and operating effectiveness of the relevant controls identified in relation to the classification and valuation processes of loans to customers for financing measured at amortised cost;
- check, on a sample basis, the classification of performing loans to customers for financing measured at amortised cost in accordance with the regulatory framework, the Group's internal policies and applicable accounting standards, with focused analysis on performing loans category known as "bonis sotto osservazione";
- analysis and understanding of the main valuation models adopted by the Group for the determination of the loan loss provisions relating to performing loans, and the related fine tuning and specific overlays in order to also reflect the uncertainties arising from the current macroeconomic context, as well as check of the reasonableness of the parameters subject to estimation;
- check, on a sample basis, of the classification and measurement of non-performing loans to customers for financing measured at amortised cost in accordance with the regulatory framework, the Group's internal policies and applicable accounting standards;

- comparative and trend analysis, as well as comparison with sector data, of loans to customers for financing measured at amortised cost and of related loan loss provisions, also through examination of the monitoring reports provided by the Group and discussion of the related results with the functions involved;
- analysis of subsequent events occurring after the reference date of the financial statements;
- check the completeness and the compliance of the disclosures provided in the financial statements in accordance with the 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 consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and to art. 43 of Italian Legislative Decree no. 136/15, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Bank or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. has appointed us on June 16, 2021 as auditors of the Bank for the years from December 31, 2021 to December 31, 2029.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Bank in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. are responsible for the preparation of the report on operations and the information required by art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 included in the section related to the report on corporate governance and the ownership structure of Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group as at December 31, 2024, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the section related to the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the consolidated financial statements;
- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the section related to the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the section related to the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the information required by art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 contained in the section related to the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and the information required by art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 contained in the section related to the report on corporate governance and the ownership structure are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated corporate sustainability reporting. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Enrico Gazzaniga
Partner

Milan, Italy
April 29, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Consolidated financial statements of the Cassa Centrale Group

Consolidated financial statements

Consolidated balance sheet

ASSETS		31/12/2024	31/12/2023
10.	Cash and cash equivalents	711	734
20.	Financial assets measured at fair value through profit or loss	242	294
	a) financial assets held for trading	6	5
	b) financial assets designated at fair value	-	1
	c) other financial assets mandatorily measured at fair value	236	288
30.	Financial assets measured at fair value through other comprehensive income	9,899	11,050
40.	Financial assets measured at amortised cost	71,465	72,880
	a) loans to banks	1,097	1,397
	b) loans to customers	70,368	71,483
50.	Hedging derivatives	70	84
60.	Fair value change of financial assets in hedged portfolios (+/-)	(57)	(79)
70.	Equity investments	54	54
90.	Tangible assets	1,242	1,222
100.	Intangible assets	108	84
	of which:		
	- goodwill	27	27
110.	Tax assets	421	585
	a) current	114	115
	b) deferred	307	470
120.	Non-current assets and groups of assets held for disposal	1	1
130.	Other assets	2,881	2,670
Total assets		87,037	89,579

LIABILITIES AND EQUITY		31/12/2024	31/12/2023
10.	Financial liabilities measured at amortised cost	74,578	79,218
	a) due to banks	1,291	10,216
	b) due to customers	66,309	63,299
	c) debt securities in issue	6,978	5,703
20.	Financial liabilities held for trading	7	4
30.	Financial liabilities designated at fair value	1	1
40.	Hedging derivatives	15	4
60.	Tax liabilities	57	49
	a) current	17	24
	b) deferred	40	25
80.	Other liabilities	2,512	1,561
90.	Provision for severance indemnity	80	90
100.	Provisions for risks and charges	407	432
	a) commitments and guarantees given	119	147
	b) post-employment benefits	-	-
	c) other provisions for risks and charges	288	285
120.	Valuation reserves	66	(20)
140.	Equity instruments	1	1
150.	Reserves	7,663	6,889
160.	Share premium	78	76
170.	Share Capital	1,272	1,271
180.	Own shares (-)	(868)	(868)
200.	Profit (loss) for the year (+/-)	1,168	871
Total liabilities and equity		87,037	89,579

Consolidated income statement

ITEMS	31/12/2024	31/12/2023
10. Interest income and similar revenues	3,452	3,287
of which: interest income calculated with the effective interest method	3,417	3,256
20. Interest expenses and similar charges	(996)	(891)
30. Net interest income	2,456	2,396
40. Fees and commissions income	994	933
50. Fees and commissions expenses	(157)	(138)
60. Net fees and commissions	837	795
70. Dividend and similar income	4	4
80. Net result from trading	9	6
90. Net result from hedging	2	-
100. Profit (loss) from disposal/repurchase of:	(275)	(374)
a) financial assets measured at amortised cost	(252)	(254)
b) financial assets measured at fair value through other comprehensive income	(23)	(120)
c) financial liabilities	-	-
110. Net result on other financial assets and liabilities measured at fair value through profit or loss	2	7
a) financial assets and liabilities designated at fair value	-	-
b) other financial assets mandatorily measured at fair value	2	7
120. Net interest and other banking income	3,035	2,834
130. Net value adjustments/write-backs due to credit risk relative to:	126	(80)
a) financial assets measured at amortised cost	126	(79)
b) financial assets measured at fair value through other comprehensive income	-	(1)
140. Profit/loss from contractual changes without derecognitions	(3)	(1)
150. Net income from financial activities	3,158	2,753
180. Net income from financial and insurance activities	3,158	2,753

ITEMS		31/12/2024	31/12/2023
190.	Administrative expenses:	(1,890)	(1,762)
	a) staff expenses	(1,119)	(1,028)
	b) other administrative expenses	(771)	(734)
200.	Net allocations to provisions for risks and expenses	35	(13)
	a) commitments and guarantees given	17	(8)
	b) other net allocations	18	(5)
210.	Net value adjustments/write-backs to tangible assets	(122)	(113)
220.	Net value adjustments/write-backs to intangible assets	(19)	(30)
230.	Other operating expenses/income	223	195
240.	Operating costs	(1,773)	(1,723)
250.	Profit (loss) on equity investments	(10)	(5)
280.	Profit (loss) from disposal of investments	-	2
290.	Profit (loss) before tax from current operating activities	1,375	1,027
300.	Income taxes for the year on current operating activities	(207)	(156)
310.	Profit (loss) after tax from current operating activities	1,168	871
330.	Profit (loss) for the year	1,168	871
350.	Profit (loss) for the Parent Company	1,168	871

Statement of consolidated comprehensive income

ITEMS	31/12/2024	31/12/2023
10. Profit (loss) for the year	1,168	871
Other post-tax components of income without reversal to the income statement	9	12
20. Equities measured at fair value through other comprehensive income	7	13
30. Financial liabilities designated at fair value through profit or loss (changes in credit rating)	-	-
40. Hedging of equities measured at fair value through other comprehensive income	-	-
50. Tangible assets	-	-
60. Intangible assets	-	-
70. Defined benefit plans	2	(1)
80. Non-current assets and groups of assets held for disposal	-	-
90. Quota of reserves from the valuation of shareholdings measured with the equity method	-	-
100. Financial revenues or costs relating to insurance contracts issued	-	-
Other post-tax components of income with reversal to the income statement	77	199
110. Hedging of foreign investments	-	-
120. Exchange rate differences	-	-
130. Cash flow hedging	-	(1)
140. Hedging instruments (undesignated elements)	-	-
150. Financial assets (other than equities) measured at fair value through other comprehensive income	78	200
160. Non-current assets and groups of assets held for disposal	-	-
170. Quota of reserves from the valuation of shareholdings measured with the equity method	(1)	-
180. Financial revenues or costs from insurance contracts issued	-	-
190. Financial revenues or costs relating to reinsurance transfers	-	-
200. Total other post-tax components of income	86	211
210. Comprehensive income (Item 10+200)	1,254	1,082
220. Consolidated comprehensive income pertaining to minority interests	-	-
230. Consolidated comprehensive income pertaining to the Parent Company	1,254	1,082

Statement of changes in consolidated equity as at 31/12/2024

	Balance as at 31/12/23	Adjustment to opening balances	Balance as at 01/01/24	Allocation of result from previous year		Changes to reserves	Changes during the year								Comprehensive income for 2024	Group equity as at 31/12/24	Equity pertaining to minority interests as at 31/12/24
				Reserves	Dividends and other allocations		Issue of new shares	Equity transactions					Changes in equity investments				
								Purchase of own shares	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock Options					
Share capital:																	
a) ordinary shares	1,263	X	1,263	-	X	X	8	(7)	X	X	X	X	-	X	1,264		
b) other shares	8	X	8	-	X	X	-	-	X	X	X	X	-	X	8		
Share premium	76	X	76	-	X	-	2	X	X	X	X	X	-	X	78		
Reserves:																	
a) profit	6,879	-	6,879	777	X	(3)	-	-	-	X	X	X	-	X	7,653		
b) other	10	-	10	-	X	-	-	X	-	X	-	-	-	X	10		
Valuation reserves	(20)	-	(20)	X	X	-	X	X	X	X	X	X	-	86	66		
Equity instruments	1	X	1	X	X	X	X	X	X	-	X	X	-	X	1		
Own shares	(868)	X	(868)	X	X	X	-	-	X	X	X	X	X	X	(868)		
Profit (loss) for the year	871	-	871	(777)	(94)	X	X	X	X	X	X	X	X	1,168	1,168		
Group's equity	8,220	-	8,220	-	(94)	(3)	10	(7)	-	-	-	-	-	1,254	9,380		
Equity pertaining to minority interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

Statement of changes in consolidated equity as at 31/12/2023

	Balance as at 31/12/22	Adjustment to opening balances	Balance as at 01/01/23	Allocation of result from previous year		Changes during the year									Group equity as at 31/12/23	Equity pertaining to minority interests as at 31/12/23
				Reserves	Dividends and other allocations	Changes to reserves	Equity transactions							Comprehensive income for 2023		
							Issue of new shares	Purchase of own shares	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock Options	Changes in equity investments			
Share capital:																
a) ordinary shares	1,263	X	1,263	-	X	X	6	(6)	X	X	X	X	-	X	1,263	
b) other shares	8	X	8	-	X	X	-	-	X	X	X	X	-	X	8	
Share premium	74	X	74	-	X	-	2	X	X	X	X	X	-	X	76	
Reserves:																
a) profit	6,389	-	6,389	499	X	(4)	-	-	-	X	X	X	(5)	X	6,879	
b) other	10	-	10	-	X	-	-	X	-	X	-	-	-	X	10	
Valuation reserves	(231)	-	(231)	X	X	-	X	X	X	X	X	X	-	211	(20)	
Equity instruments	1	X	1	X	X	X	X	X	X	-	X	X	-	X	1	
Own shares	(867)	X	(867)	X	X	X	-	(1)	X	X	X	X	X	X	(868)	
Profit (loss) for the year	560	-	560	(499)	(61)	X	X	X	X	X	X	X	X	871	871	
Group's equity	7,207	-	7,207	-	(61)	(4)	8	(7)	-	-	-	-	(5)	1,082	8,220	
Equity pertaining to minority interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Consolidated cash flow statement

Indirect method

	Amount	
	31/12/2024	31/12/2023
A. OPERATING ACTIVITIES		
1. Operations	1,300	1,195
- income for the year (+/-)	1,168	871
- gains/losses on financial assets held for trading and other assets/liabilities measured at fair value through profit or loss (-/+)	6	(1)
- gains/losses on hedging activities (-/+)	(2)	-
- net value adjustments/write-backs due to credit risk (+/-)	(126)	80
- net value adjustments/write-backs to tangible and intangible assets (+/-)	141	143
- net allocations to provisions for risks and expenses and other costs/revenues (+/-)	(35)	13
- revenues collected and net costs paid of insurance contracts issued and reinsurance transfers (-/+)	-	-
- taxes, duties and tax credits not settled (+/-)	139	93
- net value adjustments/write-backs from discontinued operations net of tax (-/+)	-	-
- other adjustments (+/-)	9	(4)
2. Cash flows generated/used by the financial assets	2,613	3,379
- financial assets held for trading	(6)	3
- financial assets designated at fair value	1	-
- other assets obligatorily measured at fair value	51	177
- financial assets measured at fair value through other comprehensive income	1,237	93
- financial assets measured at amortised cost	1,513	3,384
- other assets	(183)	(278)
3. Cash flows generated/used by the financial liabilities	(3,762)	(4,421)
- financial liabilities measured at amortised cost	(4,719)	(4,412)
- financial liabilities held for trading	3	(3)
- financial liabilities designated at fair value	-	-
- other liabilities	954	(6)
4. Cash flows generated/used by insurance contracts issued and by reinsurance transfers	-	-
- insurance contracts issued that are liabilities/assets (+/-)	-	-
- reinsurance transfers that are assets/liabilities (+/-)	-	-
Net cash flow generated/used by operating activities	151	153

	Amount	
	31/12/2024	31/12/2023
B. INVESTMENT ACTIVITIES		
1. Cash flows generated by	19	55
- sales of equity investments	1	-
- dividends collected on equity investments	4	4
- sales of tangible assets	14	51
- sales of intangible assets	-	-
- sales of subsidiaries and business units	-	-
2. Cash flows used by	(92)	(123)
- equity investment acquisitions	-	-
- tangible asset acquisitions	(49)	(98)
- intangible asset acquisitions	(43)	(25)
- purchases of subsidiaries and business units	-	-
Net cash flow generated/used by investment activities	(73)	(68)
C. FUNDING ACTIVITIES		
- issues/purchases of own shares	(7)	-
- issues/purchases of equity instruments	-	-
- dividend distribution and other	(94)	(61)
- sale/purchase of third parties' controlling interests	-	-
Net cash flow generated/used by funding activities	(101)	(61)
NET CASH FLOWS GENERATED/USED DURING THE YEAR	(23)	24

KEY:

(+) generated

(-) absorbed

Reconciliation

ITEMS	Amount	
	31/12/2024	31/12/2023
Cash and cash equivalents at the beginning of the year	734	710
Total net cash flows generated/used during the year	(23)	24
Cash and cash equivalents: impact of exchange differences	-	-
Cash and cash equivalents at year-end	711	734

Consolidated financial statements of the Cassa Centrale Group

Consolidated explanatory notes

PART A - Accounting policies

A.1 – General Section

Section 1 – Statement of compliance with international accounting standards

Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group (hereinafter also referred to as the “Cassa Centrale Group” or the “Group”) is required to prepare its consolidated financial statements in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission under the procedure set out in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, in force at the reference date of this document, including the interpretative documents of the International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC), limited to those applied for the preparation of the consolidated financial statements as at 31 December 2024.

The Bank of Italy defines the formats and rules for the preparation of financial statements in Circular no. 262 of 22 December 2005, including subsequent updates. The eighth update, published on 17 November 2022, is in force.

In interpreting and applying the new international accounting standards, reference was also made to the “Framework for the Preparation and Presentation of Financial Statements” (known as “Conceptual Framework” or the “Framework”), issued by the IASB. In terms of interpretation, also considered were the documents on the application of IAS/IFRS in Italy, prepared by the Italian Accounting Body (OIC) and the Italian Banking Association (ABI).

In the absence of a standard or an interpretation specifically applicable to a particular transaction, the Group uses the professional judgement of its departments in developing accounting recognition rules which make it possible to provide a reliable financial disclosure, necessary for guaranteeing that the financial statements give a true and fair view of the Group’s equity and financial position, reflecting the economic substance of the transaction as well as the relevant related aspects.

In formulating these accounting recognition rules, reference was made, as much as possible, to the provisions contained in the international accounting standards and the associated interpretations that address similar cases.

Section 2 – General preparation criteria

The consolidated financial statements of the Cassa Centrale Group include the Parent Company Cassa Centrale Banca and the direct and indirect subsidiaries: for further details on the scope of consolidation, please refer to “Section 3 – Scope and methods of consolidation” of this Part A.

The consolidated financial statements consist of i) the consolidated balance sheet, ii) the consolidated income statement, iii) the statement of consolidated comprehensive income, iv) the statement of changes in consolidated equity, v) the consolidated cash flow statement, vi) the consolidated explanatory notes, and are accompanied by the Directors’ report on operations and the situation of the Group.

In addition, IAS 1 “Presentation of financial statements”, requires the representation of a “statement of comprehensive income” also illustrating, among the other income components, the changes in the value of the assets recorded in the period as a contra-entry to equity. In line with the information contained in the aforementioned Bank of Italy Circular no. 262 of 22 December

2005 and subsequent updates, the Group chose, as permitted by the accounting standard in question, to use two statements to provide the statement of comprehensive Income: a first statement highlighting the traditional components of the income statement and the relevant result for the year, and a second statement that, based on the latter, shows the other components of the statement of comprehensive Income.

In accordance with the provisions of Article 5 of Italian Legislative Decree no. 38/2005, the consolidated financial statements are prepared using the euro as the accounting currency. The consolidated balance sheet and the consolidated income statement, as well as the statement of consolidated comprehensive income, the statement of changes in consolidated equity, the consolidated cash flow statement and the consolidated explanatory notes have been prepared in millions of euros. Any differences found between the amounts in the explanatory notes and the consolidated financial statements are attributable to rounding up.

The consolidated balance sheet and the consolidated income statement comprise items, sub-items and additional detailed information. Items not valued either in the current or the previous year are not reported.

In the consolidated income statement and the related section of the explanatory notes, revenues are recorded without sign, while the costs are indicated in brackets. In the statement of consolidated comprehensive income, the negative amounts are stated in brackets.

Furthermore, the complementary information deemed suitable to supplement the financial statements data was provided in the consolidated explanatory notes, including when not specifically required by the legislation.

The financial statements as at 31 December 2024 have been prepared with clarity and give a true and fair view of the financial position, economic result for the year, changes in Group equity and generated cash flows.

The consolidated financial statements are prepared on the basis of the going concern assumption of the Cassa Centrale Group, as the directors reasonably expect that the Group will continue operating in the foreseeable future. The situation of the financial markets and the real economy and the still uncertain forecasts made with reference to the short/medium-term require particularly precise valuations to be performed as regards the going concern assumption, since the results history of the Group and its easy access to financial resources may not be sufficient in the current context. The directors believe that the risks and uncertainties to which the Group may be subject in the flow of its operations are not significant and therefore do not cast doubt on the company's ability to continue as a growing concern, despite considering the current macroeconomic environment characterised by various factors, such as the trend in inflation, high interest rates, geopolitical risks, as well as related uncertainties affecting future developments.

Estimation processes are based on past experience as well as other factors considered reasonable in the circumstances, and aim to estimate the book value of assets and liabilities that are not readily apparent from other sources. In particular, estimation processes were adopted that support the book value of some of the most important valuation items posted in the accounts, according to reference regulations. These processes are mainly based on estimates of future recoverability of the values in the accounts and were carried out on a going concern basis.

The main cases for which subjective evaluations are required to be made by the Board of Directors include:

- the quantification of expected losses due to the reduction of loan values and, in general, of other financial assets;
- the determination of the fair value of financial instruments, with particular reference to financial assets not listed on active markets;
- the assessment of congruity in the value of goodwill, other intangible assets and equity investments;
- the measurement of personnel funds and provisions for risks and charges;
- the estimates and assumptions regarding recoverability of deferred tax assets.

The information provided on the accounting policies applied for the main aggregate values of the consolidated financial statements includes the necessary details for identifying the main assumptions and subjective evaluations made in preparing the consolidated financial statements. For further details on the breakdown and relative book values of the specific statement captions

affected by said estimates, see the relevant sections of these consolidated explanatory notes. The processes adopted support the book values on the date of preparing the consolidated financial statements. The measurement process, as in the previous year, continues to be complex in consideration of the persisting uncertainty of the macroeconomic and market environment, characterised both by the considerable volatility of the financial parameters that are decisive in the measurement and by a progressive stabilisation in interest rates and inflation. At present, no significant indicators of impairment in credit quality have yet been found. These parameters and the information used to check the mentioned values are significantly affected by these factors which are out of the Group's control and may undergo rapid and unforeseeable changes. For further details, see paragraph d) of the Section 5 - Other Aspects.

The consolidated financial statements also make reference to the general preparation criteria listed below, where applicable:

- principle of clarity, truth, fairness and completeness in the presentation of the balance sheet, income statement and cash flows (true and fair view);
- accrual principle;
- principle of consistent presentation and classification from one year to another (comparability);
- principle of prohibited offsetting of entries, except where expressly permitted;
- principle of prevalence of economic substance over legal form;
- principle of prudence in exercising the necessary judgement to make the estimates required in conditions of uncertainty so that the assets or revenues are not overestimated and the liabilities or costs are not underestimated, without this implying the creation of hidden reserves or excessive allocations;
- principle of neutral nature of information;
- principle of relevance/significance of the information.

Ultimately, with reference to the main implications related to the method of application of the international accounting standards (in particular IFRS 9) in the current macroeconomic environment characterised by geopolitical tensions, please refer to the specific paragraph "d) Risks, uncertainties, impacts and methods of application of the international accounting standards in the current environment" included in "A.1 - General Part, Section 5 - Other Aspects" of this Part A.

The 2024 financial year was not characterised by any changes in the estimation criteria already applied for the preparation of the consolidated financial statements as at 31 December 2023 except for what is shown in "Other Aspects" in point d) in relation to the measurement of loans to customers in the current macroeconomic environment.

Section 3 - Scope and methods of consolidation

The consolidated financial statements refer to a scope of consolidation better defined below. In this regard, the provisions of IFRS 10, 11, 12 and IFRS 3 have been taken into account, including in the scope of consolidation - as specifically provided for by IAS/IFRS – including companies operating in sectors of activity different from that of the Parent Company. Similarly, structured companies are also included if their control requirements are met, regardless of their mere shareholding.

Moreover, with regard to the consolidation of Cooperative Banking Groups, it should be pointed out that Law no. 145 of 30 December 2018 "State Budget for the 2019 financial year and multi-annual budget for the three-year period 2019-2021" (2019 Budget Law), in transposing into Italian law, Article 2, paragraph 2, letter b) of Directive no. 86/635/EEC on the treatment of central bodies for the purposes of consolidated accounts, introduced the obligation to prepare consolidated financial statements for the whole of the central body and its affiliates (known as "single consolidating entity"). The adoption of this EU provision introduced, inter alia, the following two regulatory changes:

- a. "for the purposes of preparing the consolidated financial statements, the Parent Company and the banks belonging to the cooperative banking group constitute a single consolidating entity";

- b. “in preparing the consolidated financial statements, the accounting items relating to the Parent Company and the Affiliated Banks are recorded on a consistent basis”.

In this regard, it seems reasonable to believe that the Italian legislator, as part of the amendments introduced by the 2019 Budget Law, has taken into account the interpretation provided by the European Commission in 2006 according to which, even in the case of IAS adopters, the obligation to prepare consolidated financial statements must be assessed in accordance with the provisions of the national transposition of European directives.

In light of the interpretation of the European Commission and considering that, as a result of the transposition into Italian law of Article 2, paragraph 2, letter b) of Directive no. 86/635/EEC, in the case of Cooperative Banking Groups, the entity required to prepare consolidated financial statements (reporting entity) is represented by the aggregation of the central body and the Affiliated Banks (known as “single consolidating entity”), it is considered that the rules of IFRS 10 - “consolidated financial statements” apply only for the purposes of identifying the scope of consolidation of the reporting entity; i.e. only for the purposes of assessing the existence of situations of control between the entities forming the reporting entity and third parties (e.g. subsidiaries of the Parent Company or individual Affiliated Banks).

Recognition of the reporting entity nature within the sole consolidating entity also implies that IFRS 3 would apply only to the accounting of business combinations involving the latter and third parties (e.g. in the case of acquisition of new subsidiaries).

The provision of the Testo Unico Bancario (Consolidated Banking Act - TUB), according to which the Cohesion Contract ensures the existence of a situation of control as defined by international accounting standards, must also be interpreted in light of the subsequent amendments made to national accounting regulations by the 2019 Budget Law.

In this context, on the one hand, the 2019 Budget Law defines the procedures with which to comply with the consolidation obligations in the case of central bodies, on the other hand, the TUB's provisions are important in order to circumscribe the Central Body's governance powers over its affiliates.

The aforementioned approach is consistent, among other things, with the approach already adopted in other European jurisdictions with regard to the manner in which central bodies and their affiliated entities are consolidated, as for example in France.

That being said, in line with the above, the preparation of the consolidated financial statements was carried out through a process of aggregation of:

- financial statements of the Parent Company Cassa Centrale Banca and its subsidiaries/associates over which it exercises control on the basis of the majority of voting rights and/or the connection on the basis of significant influence;
- financial statements of the Affiliated Banks and their subsidiaries/associates over which the Parent Company exercises direction and coordination on the basis of the Cohesion Contract.

This process was followed by a subsequent phase of reclassification to own shares of the same shares of Cassa Centrale Banca held by the Affiliated Banks and the elimination of the asset and economic balances attributable to intra-group transactions.

Subsidiaries

Without prejudice to that stated in the previous paragraph regarding the peculiarities of the consolidation method of the Cooperative Banking Group, the scope of consolidation is determined in compliance with the provisions contained in international accounting standard IFRS 10 - Consolidated financial statements. Based on this principle, the control requirement forms the basis of the consolidation of all types of entities, and is realised when an investor simultaneously:

- has the power to determine the relevant activities of the entity;
- is exposed to or benefits from the variable returns deriving from its involvement with the entity;
- has the ability to exercise its power to influence the amount of its returns (link between power and returns).

IFRS 10 establishes that, to have control, the investor must have the ability to direct the relevant activities of the entity, based on a legal right or mere de facto situation, and also be exposed to the variability of the results stemming from this power.

The subsidiaries are consolidated from the date on which the Group acquires control, according to the 'acquisition method' - IFRS 3, and cease to be consolidated when control is no longer held.

The existence of control is subject to a continuous valuation process if there are events and circumstances that indicate the presence of a change in one or more of the three elements forming the control requirement, presented in the following paragraph "Significant valuations and assumptions for determining the scope of consolidation".

The full consolidation consists of the 'line-by-line' acquisition of the aggregates of the balance sheet and the income statement of the entities controlled, as contra-entry to the cancellation of the investment held by the Group in the entity and the recognition, in the appropriate items, of the shares held by minority interests.

The differences emerging from this offsetting were subject to the provisions of IFRS 3; if they were allocated to the appropriate items, they are subject to the accounting treatment of the reference standard; if they were not specifically allocated, they are booked to goodwill under intangible assets and subject to impairment testing. Negative differences (so-called bargain purchase or badwill) are recognised in the consolidated income statement.

In addition, for entities controlled through an investment relationship, the share of equity pertaining to minority interests, the result for the year and comprehensive income is represented separately in the respective consolidated financial statements (under consolidated balance sheet liability item 190. Minority interests, 340. Profit (loss) for the year for minority interests in the consolidated income statement and 190. Consolidated comprehensive income pertaining to minority interests in the statement of consolidated comprehensive income).

Costs and revenues relating to the controlled entity are included in the Consolidated Financial Statements from the date of acquisition of control. The costs and revenues of the subsidiary transferred are included in the consolidated income statement until the transfer date; the difference between the consideration of the transfer and the book value of the net assets of the same is recognised in the consolidated income statement item 280. Profit (loss) from disposal of investments. In the presence of a partial disposal of the controlled entity which does not determine the loss of control, the difference between the consideration of the transfer and the associated book value is booked as a contra-entry to equity.

Controlling interests held for sale are consolidated on a line-by-line basis and stated separately in the Financial Statements as a group held for disposal valued as at the reporting date at the lower of the book value and the fair value less disposal costs, based on the treatment provided for in IFRS 5.

Controlling shareholdings with total assets of less than EUR 10 million are accounted for using the equity method, as line-by-line consolidation would require a considerable effort in terms of production, collection and consolidation of data, against negligible benefits in relation to financial reporting. This option, however, is expressly provided for in Article 19 of Regulation (EU) no. 575/2013 (CRR) on consolidation methods for the purposes of prudential supervision.

In special purpose vehicles, the circumstances that need to be examined for the purposes of any existence of a situation of control pursuant to IFRS 10 are:

- the involvement/role of Group companies in the structuring of the transaction (originator/investor/servicer/facility provider);
- the subscription of a large portion of Asset Backed Securities (ABS) issued by the special purpose vehicle on the part of Group companies;
- the scope/objective of the transaction.

In 2024, the following business combinations between subsidiaries took place:

- from and effective from 1 January 2024, the merger by incorporation of Cassa Rurale Novella e Alta Anaunia – Banca di Credito Cooperativo into Cassa di Trento, Lavis, Mezzocorona, Valle di Cembra e Alta Vallagarina – Banca di Credito Cooperativo was carried out, with simultaneous change in company name to Banca per il Trentino Alto Adige – Bank für Trentino-Südtirol – Credito Cooperativo Italiano Società Cooperativa.
- from 1 July 2024 and effective from 1 January 2024, the merger by incorporation of BVR Banca – Banche Venete Riunite – Credito Cooperativo di Schio, Pedemonte, Roana e Vestenanova Società Cooperativa into Banca del Veneto Centrale – Credito Cooperativo – Società Cooperativa was carried out, with simultaneous change in the company name to BVR Banca Veneto Centrale – Credito Cooperativo Italiano – Società Cooperativa.

The full scope of the subsidiaries that are part of the Cassa Centrale Group as at 31 December 2024 is shown below:

COMPANY NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
A. ENTITIES CONSOLIDATED ON A LINE-BY-LINE BASIS						
A.1 ENTITIES CONSOLIDATED ON A LINE-BY-LINE BASIS - COHESION CONTRACT						
CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	Trento	Trento	4			
BANCA DI CREDITO COOPERATIVO DEL CIRCEO E PRIVERNATE - SOCIETÀ COOPERATIVA	Sabaudia (LT)	Sabaudia (LT)	4			
BANCA DELL'ALTA MURGIA CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Altamura (BA)	Altamura (BA)	4			
BANCA DI CREDITO COOPERATIVO DEI CASTELLI E DEGLI IBLEI SOCIETÀ COOPERATIVA	Mazzarino (CL)	Mazzarino (CL)	4			
BANCA MALATESTIANA - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Rimini	Rimini	4			
BANCA DI CREDITO COOPERATIVO DEI CASTELLI ROMANI E DEL TUSCOLO - SOCIETÀ COOPERATIVA	Castel Gandolfo (Rome)	Rocca Priora (Rome)	4			
CASSA RURALE VALLAGARINA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Ala (TN)	Ala (TN)	4			
CASSA RURALE ALTO GARDA - ROVERETO BANCA DI CREDITO COOPERATIVO - COOPERATIVE COMPANY	Arco (TN)	Arco (TN)	4			
CASSA RURALE DI LEDRO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Ledro (TN)	Ledro (TN)	4			
LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - SOCIETÀ COOPERATIVA	Tione di Trento (TN)	Tione di Trento (TN)	4			
CASSA RURALE VALSUGANA E TESINO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Borgo Valsugana (TN)	Borgo Valsugana (TN)	4			
FPB CASSA DI FASSA PRIMIERO BELLUNO BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Moena (TN)	Moena (TN)	4			
CASSA RURALE VAL DI SOLE - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Malè (TN)	Malè (TN)	4			
CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Pergine Valsugana (TN)	Pergine Valsugana (TN)	4			
CASSA RURALE VAL DI Fiemme - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Cavalese (TN)	Cavalese (TN)	4			
CASSA RURALE RENON SOCIETÀ COOPERATIVA	Collalbo Renon (BZ)	Collalbo Renon (BZ)	4			
CASSA RAIFFEISEN DI SAN MARTINO IN PASSIRIA SOCIETÀ COOPERATIVA	S. Martino in Passiria (BZ)	S. Martino in Passiria (BZ)	4			
BANCA CENTRO CALABRIA - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Cropani Marina (CZ)	Cropani Marina (CZ)	4			
CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Cles (TN)	Cles (TN)	4			
BANCA PER IL TRENTINO ALTO ADIGE – BANK FÜR TRENTINO-SÜDTIROL – CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	Trento	Trento	4			

COMPANY NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
BANCA DI CREDITO COOPERATIVO DI ALBEROBELLO, SAMMICHELE E MONOPOLI - SOCIETÀ COOPERATIVA	Alberobello (BA)	Alberobello (BA)	4			
CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Leno (BS)	Leno (BS)	4			
BANCA DI CREDITO COOPERATIVO DI AQUARA SOCIETÀ COOPERATIVA	Aquara (SA)	Aquara (SA)	4			
BANCANAGNI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Anagni (FR)	Anagni (FR)	4			
BANCA DI CREDITO COOPERATIVO CALABRIA NORD - SOCIETÀ COOPERATIVA	Verbicaro (CS)	Verbicaro (CS)	4			
BANCA DI CREDITO COOPERATIVO DI BARLASSINA - SOCIETÀ COOPERATIVA	Barlassina (MB)	Barlassina (MB)	4			
BENE BANCA CREDITO COOPERATIVO DI BENE VAGIENNA (CUNEO) - SOCIETÀ COOPERATIVA	Bene Vagienna (CN)	Bene Vagienna (CN)	4			
CASSA RURALE ED ARTIGIANA DI BORGO SAN GIACOMO (BRESCIA) - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Borgo San Giacomo (BS)	Borgo San Giacomo (BS)	4			
CASSA RURALE ED ARTIGIANA DI BOVES - BANCA DI CREDITO COOPERATIVO (BOVES-CUNEO) - SOCIETÀ COOPERATIVA	Boves (CN)	Boves (CN)	4			
BANCA DI CARAGLIO, DEL CUNEESE E DELLA RIVIERA DEI FIORI - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Caraglio (CN)	Caraglio (CN)	4			
BANCA DI CREDITO COOPERATIVO DI CASSANO DELLE MURGE E TOLVE - SOCIETÀ COOPERATIVA	Cassano delle Murge (BA)	Cassano delle Murge (BA)	4			
CASTAGNETO BANCA 1910 - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Donoratico (LI)	Castagneto Carducci (LI)	4			
BANCA DI CREDITO COOPERATIVO DELLA ROMAGNA OCCIDENTALE - SOCIETÀ COOPERATIVA	Castel Bolognese (RA)	Castel Bolognese (RA)	4			
BCC FELSINEA - BANCA DI CREDITO COOPERATIVO DAL 1902 - SOCIETÀ COOPERATIVA	San Lazzaro di Savena (BO)	San Lazzaro di Savena (BO)	4			
BANCA DI CREDITO COOPERATIVO DI CHERASCO - SOCIETÀ COOPERATIVA	Rovereto di Cherasco (CN)	Rovereto di Cherasco (CN)	4			
BANCO MARCHIGIANO CREDITO COOPERATIVO	Civitanova Marche (MC)	Civitanova Marche (MC)	4			
BANCA DI CREDITO COOPERATIVO DI CONVERSANO - SOCIETÀ COOPERATIVA	Conversano (BA)	Conversano (BA)	4			
BANCA CENTRO EMILIA - CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Corporeno (FE)	Corporeno (FE)	4			
CORTINABANCA - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Cortina d'Ampezzo (BL)	Cortina d'Ampezzo (BL)	4			
BANCA DI CREDITO COOPERATIVO DI FLUMERI - SOCIETÀ COOPERATIVA	Flumeri (AV)	Flumeri (AV)	4			
BANCA DI CREDITO COOPERATIVO VALDOSTANA - COOPERATIVE DE CREDIT VALDOTAINE - SOCIETÀ COOPERATIVA	Aosta	Gressan (AO)	4			
BVR BANCA VENETO CENTRALE - CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	Longare (VI)	Longare (VI)	4			
BANCA DI CREDITO COOPERATIVO DI LOCOROTONDO CASSA RURALE E ARTIGIANA - SOCIETÀ COOPERATIVA	Locorotondo (BA)	Locorotondo (BA)	4			
CREDITO COOPERATIVO - CASSA RURALE ED ARTIGIANA DEL FRIULI VENEZIA GIULIA - COOPERATIVE COMPANY	Gorizia (GO)	Gorizia (GO)	4			
BANCA 360 CREDITO COOPERATIVO FVG SOCIETÀ COOPERATIVA	Udine	Udine	4			
PRIMACASSA - CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	Martignacco (UD)	Martignacco (UD)	4			
BANCA DI CREDITO COOPERATIVO DI BRESCIA - SOCIETÀ COOPERATIVA	Nave (BS)	Brescia	4			

COMPANY NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
BANCA CENTRO LAZIO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Palestrina (Rome)	Palestrina (Rome)	4			
BANCA DEL TERRITORIO LOMBARDO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Brescia	Brescia	4			
BANCA DI CREDITO COOPERATIVO DI PIANFEI E ROCCA DE' BALDI - SOCIETÀ COOPERATIVA	Pianfei (CN)	Pianfei (CN)	4			
BANCA MONTE PRUNO - CREDITO COOPERATIVO DI FISCIANO, ROSCIGNO E LAURINO - SOCIETÀ COOPERATIVA	Roscigno (SA)	Roscigno (SA)	4			
BANCA DI CREDITO COOPERATIVO DI LODI - SOCIETÀ COOPERATIVA	Lodi	Lodi	4			
BANCA DI CREDITO COOPERATIVO DI SAN GIOVANNI ROTONDO - SOCIETÀ COOPERATIVA	San Giovanni Rotondo (FG)	San Giovanni Rotondo (FG)	4			
BANCA DI CREDITO COOPERATIVO DI SAN MARZANO DI SAN GIUSEPPE - TARANTO - SOCIETÀ COOPERATIVA	San Marzano di San Giuseppe (TA)	San Marzano di San Giuseppe (TA)	4			
BANCA TERRITORI DEL MONVISO - CREDITO COOPERATIVO DI CASALGRASSO E SANT'ALBANO STURA SOCIETÀ COOPERATIVA	Carmagnola (TO)	Sant'Albano Stura (CN)	4			
BANCA DI CREDITO COOPERATIVO DI SARSINA - SOCIETÀ COOPERATIVA	Sarsina (FC)	Sarsina (FC)	4			
ROMAGNABANCA CREDITO COOPERATIVO ROMAGNA EST E SALA DI CESENATICO S.C.	Bellaria-Igea Marina (RN)	Rubicone (FC)	4			
BANCA DI CREDITO COOPERATIVO DI SPELLO E DEL VELINO - SOCIETÀ COOPERATIVA	Spello (PG)	Spello (PG)	4			
BANCA DI BOLOGNA CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Bologna	Bologna	4			
BANCA PREALPI SANBIAGIO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Tarzo (TV)	Tarzo (TV)	4			
ZKB CREDITO COOPERATIVO DI TRIESTE E GORIZIA SOCIETÀ COOPERATIVA	Opicina (TS)	Opicina (TS)	4			
BANCA LAZIO NORD CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA PER AZIONI	Viterbo	Viterbo	4			
BANCA DI CREDITO COOPERATIVO LA RISCOSSA DI REGALBUTO - SOCIETÀ COOPERATIVA	Regalbuto (EN)	Regalbuto (EN)	4			
BANCA DI CREDITO COOPERATIVO ABRUZZI E MOLISE - SOCIETÀ COOPERATIVA	Atessa (CH)	Atessa (CH)	4			
BANCA ADRIA COLLI EUGANEI - CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Adria (RO)	Adria (RO)	4			
SICILBANCA - CREDITO COOPERATIVO ITALIANO	Caltanissetta	Caltanissetta	4			

Company Name	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
A.2 ENTITIES CONSOLIDATED ON A LINE-BY-LINE BASIS OTHER THAN COHESION CONTRACT						
NORD EST ASSET MANAGEMENT SA	Luxembourg	Luxembourg	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	100.00	100.00
ALLITUDE S.p.A.	Trento	Trento	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	96.70	96.70
				OTHER MINORITY INTERESTS	3.01	3.01
				TOTAL	99.71	99.71
ASSICURA AGENZIA S.r.l.	Udine	Udine	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	100.00	100.00
ASSICURA BROKER S.r.l.	Trento	Trento	1	ASSICURA AGENZIA S.r.l.	100.00	100.00
CLARIS LEASING S.p.A.	Treviso	Treviso	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	100.00	100.00
BANCA DI BOLOGNA REAL ESTATE S.p.A.	Bologna	Bologna	1	BANCA DI BOLOGNA CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	100.00	100.00
IMMOBILIARE VILLA SECCAMANI S.r.l.	Leno (BS)	Leno (BS)	1	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	100.00	100.00
PRESTIPAY S.p.A.	Udine	Udine	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	100.00	100.00
A.3 ENTITIES CONTROLLED BUT CONSOLIDATED AT EQUITY FOR MATERIALITY LIMITS						
AZIENDA AGRICOLA ANTONIANA S.r.l.	Leno (BS)	Leno (BS)	1	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	100.00	100.00
BENACO GESTIONI IMMOBILIARI S.r.l. IN LIQUIDAZIONE	Leno (BS)	Leno (BS)	1	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	100.00	100.00
CÀ DEL LUPO S.r.l. IN LIQUIDAZIONE	Leno (BS)	Leno (BS)	1	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	100.00	100.00
AGORÀ S.r.l.	Leno (BS)	Narbolia (OR)	1	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	100.00	100.00
IMMOBILIARE BCC DI BRESCIA S.r.l.	Nave (BS)	Nave (BS)	1	BANCA DI CREDITO COOPERATIVO DI BRESCIA - SOCIETÀ COOPERATIVA	100.00	100.00
RAIFFEISEN IMMOBILIEN S.r.l.	Renon (BZ)	Renon (BZ)	1	CASSA RURALE RENON SOCIETÀ COOPERATIVA	100.00	100.00
VERDEBLU IMMOBILIARE S.r.l.	Cherasco (CN)	Cherasco (CN)	1	BANCA DI CREDITO COOPERATIVO DI CHERASCO - SOCIETÀ COOPERATIVA	100.00	100.00
CASSA RURALE ALTA VALSUGANA SOLUZIONI IMMOBILIARI S.r.l.	Pergine Valsugana (TN)	Pergine Valsugana (TN)	1	CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	100.00	100.00
QUADRIFOGLIO 2018 S.r.l.	Castenaso (BO)	Castenaso (BO)	1	BCC FELSINEA - BANCA DI CREDITO COOPERATIVO DAL 1902 - SOCIETÀ COOPERATIVA	100.00	100.00
SOCIETÀ AGRICOLA TERRE DELLA ROCCA S.r.l.	Bologna	Bologna	1	BANCA DI BOLOGNA REAL ESTATE S.p.A.	100.00	100.00
ASSICURA S.r.l.	Udine	Udine	1	BANCA 360 CREDITO COOPERATIVO FVG SOCIETÀ COOPERATIVA	32.78	32.78
				PRIMACASSA - CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	19.68	19.68
				CREDITO COOPERATIVO - CASSA RURALE ED ARTIGIANA DEL FRIULI VENEZIA GIULIA - COOPERATIVE COMPANY	15.19	15.19
				ZKB CREDITO COOPERATIVO DI TRIESTE E GORIZIA SOCIETÀ COOPERATIVA	9.98	9.98
				TOTAL	77.63	77.63
CLARIS RENT S.p.A.	Treviso	Treviso	1	CLARIS LEASING S.p.A.	100.00	100.00
CENTRALE TRADING S.r.l.	Trento	Trento	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	42.50	42.50
				ALLITUDE S.p.A.	10.00	10.00
				TOTAL	52.50	52.50
CENTRALE SOLUZIONI IMMOBILIARI S.r.l. IN LIQUIDAZIONE	Trento	Trento	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	100.00	100.00

COMPANY NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
FONDO LEONIDA	Verona	Verona	4	BANCA DEL TERRITORIO LOMBARDO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	n.a.	n.a.

*Relationship type:

1 = majority of voting rights in the ordinary shareholders' meeting

2 = dominant influence in the ordinary shareholders' meeting

3 = agreements with other shareholders

4 = other forms of control

5 = unitary management pursuant to Article 39, paragraph 1, of "Legislative Decree no. 136/2015"

6 = unitary management pursuant to Article 39, paragraph 2, of "Legislative Decree no. 136/2015"

Structured entities

In accordance with IFRS 12 paragraph B21, there are defined entities structured so that voting or similar rights are not the pre-dominant factor in determining who controls the entity.

Structured entities have all or some of the following characteristics:

- limited activities;
- a limited and well-defined social purpose;
- insufficient equity to allow the structured entity to finance its activities without subordinated financial support;
- loans by investors that create concentrations of credit risk or other risks (tranches).

Structured entities subject to consolidation are those over which the Cassa Centrale Group has the power over the entity's relevant activities and is exposed to the variability of their returns, by virtue of the financial instruments underwritten.

At the end of the reporting period, the Cassa Centrale Group consolidated the Fondo Leonida (closed-end alternative real estate investment fund) using the equity method because it is below the aforementioned materiality limit, by virtue of the financial instruments subscribed (fund units), financial support to the fund and exposure to the variability of returns on the fund's relevant activities.

Associates

An associate is a company in which the investing company has significant influence and which is not a subsidiary or part of a joint venture. Significant influence is presumed when the investing company holds, directly or indirectly, at least 20% of the capital of another company. Further indicators of significant influence are as follows:

- representation on the company's governance body;
- participation in the process of defining policies, including therein participation in decisions relating to dividends or other profit distributions;
- the existence of significant transactions between the investor and the investee company;
- the exchange of managerial personnel;
- provision of essential technical information.

Equity investments in associates are consolidated according to the equity method. The equity method provides for the initial recognition of the investment at cost and its subsequent value adjustment based on the share of the investee company's equity. The

equity investment in associates includes goodwill (net of any impairment) paid for the acquisition. Participation in the post-acquisition profits and losses of associates is booked to the income statement under item 250. Profit (loss) on equity investments.

Any distribution of dividends is used to reduce the book value of the equity investment.

If the interest in the losses of an associate is equal to or exceeds the book value of the investee, no further losses are recognised, unless specific obligations have been undertaken in favour of the associate or payments have been made to said entity.

The valuation reserves of the associates are shown separately in the Statement of Consolidated Comprehensive Income.

The full scope of the investments in associates belonging to the Cassa Centrale Group as at 31 December 2024 is shown below:

NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
B. COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE						
LE CUPOLE S.r.l.	Manerbio (BS)	Manerbio (BS)	4	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	22.00	22.00
FINANZIARIA TRENTINA DELLA COOPERAZIONE	Trento	Trento	4	BANCA PER IL TRENTINO ALTO ADIGE – BANK FÜR TRENTINO-SÜDTIROL – CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	8.49	8.49
				CASSA RURALE ALTO GARDA - ROVERETO BANCA DI CREDITO COOPERATIVO - COOPERATIVE COMPANY	7.22	7.22
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	7.18	7.18
				CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	4.08	4.08
				CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.78	3.78
				FPB CASSA DI FASSA PRIMIERO BELLUNO BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.27	3.27
				LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - SOCIETÀ COOPERATIVA	3.14	3.14
				CASSA RURALE VAL DI FIEMME - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.12	3.12
				CASSA RURALE VALSUGANA E TESINO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.88	2.88
				OTHER MINORITY INTERESTS	4.35	4.35
TOTAL					47.51	47.51
PARTECIPAZIONI COOPERATIVE S.r.l.	Trento	Trento	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	13.92	13.92
				BANCA PER IL TRENTINO ALTO ADIGE – BANK FÜR TRENTINO-SÜDTIROL – CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	7.89	7.89
				CASSA RURALE ALTO GARDA - ROVERETO BANCA DI CREDITO COOPERATIVO - COOPERATIVE COMPANY	5.80	5.80
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	5.10	5.10
				CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.18	4.18
				FPB CASSA DI FASSA PRIMIERO BELLUNO BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.32	2.32

NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
				CASSA RURALE VALLAGARINA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.09	2.09
				OTHER MINORITY INTERESTS	6.49	6.49
				TOTAL	47.79	47.79
SERENA S.r.l.	Manzano (UD)	Manzano (UD)	4	BANCA 360 CREDITO COOPERATIVO FVG SOCIETÀ COOPERATIVA	29.05	29.05
RITTNERHORN SEILBAHNEN AG	Renon (BZ)	Renon (BZ)	4	CASSA RURALE RENON SOCIETÀ COOPERATIVA	23.97	23.97
SENIO ENERGIA S.r.l., IN LIQUIDATION	Faenza (RA)	Faenza (RA)	4	BANCA DI CREDITO COOPERATIVO DELLA ROMAGNA OCCIDENTALE - SOCIETÀ COOPERATIVA	22.22	22.22
RENDENA GOLF S.p.A.	Bocenago (TN)	Bocenago (TN)	4	LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - SOCIETÀ COOPERATIVA	26.67	22.03
SCOUTING S.p.A.	Bellaria - Igea Marina (RN)	Bellaria - Igea Marina (RN)	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	8.26	8.26
				ROMAGNABANCA CREDITO COOPERATIVO ROMAGNA EST E SALA DI CESENATICO S.C.	6.29	6.29
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	6.29	6.29
				BANCA PREALPI SANBIAGIO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.88	4.88
				BANCA MALATESTIANA - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.65	4.65
				TOTAL	30.37	30.37
CABEL HOLDING S.p.A.	Empoli (FI)	Empoli (FI)	4	CASTAGNETO BANCA 1910 - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	19.50	19.50
				CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	7.66	7.66
				BANCA LAZIO NORD CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA PER AZIONI	2.01	2.01
				TOTAL	29.17	29.17
SERVIZI E FINANZA FVG S.r.l.	Udine	Udine	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	27.19	27.19
CONNESSIONI - IMPRESA SOCIALE S.r.l.	Brescia	Brescia	4	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	30.00	30.00
DISTRETTO RURALE TERRE BASILIANE DEL CILENTO S.c.a.r.l.	Futani (SA)	Futani (SA)	4	BANCA DI CREDITO COOPERATIVO DI AQUARA SOCIETÀ COOPERATIVA	20.69	20.69

*Relationship type:

- 1 - majority of voting rights in the ordinary shareholders' meeting
- 2 - dominant influence in the ordinary shareholders' meeting
- 3 - agreements with other shareholders
- 4 - company subject to a significant influence
- 5 - unitary management pursuant to Article 26, paragraph 1, of "Legislative Decree no. 87/92"
- 6 - unitary management pursuant to Article 26, paragraph 2, of "Legislative Decree no. 87/92"
- 7 - joint ventures
- 8 - other type of relationship

Jointly controlled companies

A joint arrangement is a contractual agreement in which two or more counterparties have joint control.

Joint control is the sharing, on a contractual basis, of control of an agreement, which exists solely when the unanimous consent of all parties that share control is required for decisions relating to significant assets. According to IFRS 11, joint arrangements must be classified as joint operations or joint ventures based on the contractual rights and obligations held by the Group.

A joint operation is a joint arrangement in which the parties have rights over the assets and obligations with respect to the liabilities of the agreement. A joint venture is a joint arrangement in which the parties have rights over the net assets of the agreement. These equity investments are measured according to the equity method.

The full scope of the investments in jointly controlled companies forming part of the Cassa Centrale Group at 31 December 2024 is shown below, which takes into account the changes made during the financial year following the exit of the company “Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidation” and the entry of the company “Federazione delle BCC del Friuli Venezia Giulia S.r.l.”:

NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
A. JOINTLY CONTROLLED COMPANIES						
FRONTE PARCO IMMOBILIARE S.r.l.	Bologna	Bologna	7	BANCA DI BOLOGNA CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	50.00	50.00
FEDERAZIONE DELLE BCC DEL FRIULI VENEZIA GIULIA S.r.l.	Udine	Udine	7	CREDITO COOPERATIVO - CASSA RURALE ED ARTIGIANA DEL FRIULI VENEZIA GIULIA - COOPERATIVE COMPANY	10.25	12.50
				BANCA 360 CREDITO COOPERATIVO FVG SOCIETÀ COOPERATIVA	24.26	12.50
				PRIMACASSA - CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	15.68	12.50
				ZKB CREDITO COOPERATIVO DI TRIESTE E GORIZIA SOCIETÀ COOPERATIVA	9.12	12.50
				TOTAL	59.31	50.00

*Relationship type:

- 1 - majority of voting rights in the ordinary shareholders’ meeting
- 2 - dominant influence in the ordinary shareholders’ meeting
- 3 - agreements with other shareholders
- 4 - company subject to a significant influence
- 5 - unitary management pursuant to Article 26, paragraph 1, of “Legislative Decree no. 87/92”
- 6 - unitary management pursuant to Article 26, paragraph 2, of “Legislative Decree no. 87/92”
- 7 - joint ventures
- 8 - other type of relationship

Significant valuations and assumptions for determining the scope of consolidation

The scope of consolidation is determined in compliance with the provisions contained in international accounting standard IFRS 10 - Consolidated financial statements. Based on this principle, the control requirement forms the basis of the consolidation of all types of entities, including structured entities when the conditions are met, and is realised when an investor simultaneously has:

- the power to determine the relevant activities of the entity;
- is exposed to or benefits from the variable returns deriving from its involvement with the entity;
- the ability to exercise its power to influence the amount of its returns (link between power and returns).

IFRS 10 establishes that, to have control, the investor must have the ability to direct the relevant activities of the entity, based on a legal right or mere de facto situation, and also be exposed to the variability of the results stemming from this power.

Therefore, the Cassa Centrale Group consolidates all types of entities when all three aspects of control are present.

Generally, when an entity is directed through voting rights, control derives from holding more than half of the voting rights.

In other cases, determination of the scope of consolidation calls for consideration of all factors and circumstances that give the investor the practical ability to unilaterally manage the relevant activities of the entity (de facto control). To this end, it is necessary to consider a combination of factors, such as, merely by way of an example:

- the scope and design of the entity;
- the identification of the relevant activities and how they are managed;
- any right held through contractual agreements which confer the power to govern the relevant activities, such as the power to determine the financial and operating policies of the entity, the power to exercise the majority of voting rights in the decision-making body or the power to appoint or remove the majority of the body with decision-making functions;
- any potential voting rights exercisable and considered substantial;
- the involvement in the entity in the role of agent or principal;
- the nature and the dispersion of any rights held by other investors.

With reference to the Group's situation at the date of these consolidated financial statements, all companies in which the majority of voting rights in the ordinary shareholders' meeting are held are considered wholly-owned subsidiaries, given that no evidence has been highlighted that the other investors have the practical ability to direct the relevant activities.

For companies in which half or less of voting rights are held, at the date of these consolidated financial statements, no agreements, statutory clauses or situations able to attribute the Cassa Centrale Group the practical capacity to unilaterally govern the relevant activities were identified.

Equity investments in wholly-owned subsidiaries with significant third-party interests

At the date of these consolidated financial statements, there are no subsidiaries through an equity relationship with significant third-party interests.

Significant restrictions

At the date of these consolidated financial statements, there are no legal or substantive obligations or restrictions able to obstruct the rapid transfer of capital resources within the Group. The only restrictions are those attributable to regulatory provisions which may require a minimum amount of regulatory capital to be retained, or to the provisions of the Italian Civil Code on distributable profits and reserves.

It should be noted that there are no protective rights held by minorities able to limit the Group's capacity to access or transfer assets between Group companies or settle the Group's liabilities, including in relation to the fact that, as at 31 December 2024, there are no subsidiaries with significant third-party interests, as stated in the previous paragraph.

Other information

The accounting positions forming the basis of the line-by-line consolidation process are those relating to 31 December 2024, as approved by the competent bodies of the consolidated companies adjusted, where necessary, to bring them into line with the homogeneous accounting standards of the Group.

For the consolidation of companies subject to joint control and investments in associates, the most recent financial statements (annual or interim) approved by the companies have been used. In cases where the companies do not apply IAS/IFRS, it is verified that any application of IAS/IFRS would not have had a significant impact on the Consolidated Financial Statements of the Cassa Centrale Group.

Section 4 – Subsequent events

In relation to the provisions of IAS 10, in the period between the reference date of this document and its approval by the Board of Directors on 27 March 2025, no events occurred such as to entail a change in the data presented in the financial statements.

The accounting estimates as at 31 December 2024 were made on the basis of a series of macroeconomic and financial indicators expected at that date.

For subsequent events, please refer to the detailed analysis in the Report on Operations under Chapter 9.

Section 5 – Other aspects

a) IFRS accounting standards, amendments and interpretations applicable from 1 January 2024

The following IFRS accounting standards, amendments and interpretations were applied by the Group for the first time from 1 January 2024:

- amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback to clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale;
- amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify how the conditions that an undertaking must satisfy, within twelve months from the end of the financial year, influence the classification of a liability;
- amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current;
- amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements to add quantitative and qualitative disclosure obligations related to financing agreements with suppliers.

The above amendments did not have an impact on the Group's financial position and economic results as at 31 December 2024.

b) Endorsed accounting standards that will enter into force after the reporting date

The accounting standards and accounting interpretations or amendments to existing accounting standards that will enter into force after 31 December 2024 are shown below:

- amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, clarifies when one currency cannot be converted into another, how to estimate the exchange rate, and the information to be provided in the explanatory notes.

The directors do not foresee that the adoption of the accounting standards and amendments cited above will have a significant impact on the financial and economic position of the Group.

c) Accounting standards still not endorsed which will enter into force in the next few years

The following amended accounting principles, instead, have not yet been endorsed by the European Commission:

- IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, is aimed at providing investors with more transparent and comparable information about an entity's financial results, thus facilitating investment decisions;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, which makes it possible for the subsidiaries without public accountability that apply IFRS standards to provide reduced information in the financial statements;
- amendments to IFRS 7 and IFRS 9: Amendments to the Classification and Measurement of Financial Instruments, which mainly concern the rules on settling financial liabilities using an electronic payment system. Again with reference to the amendments to IFRS 7 and IFRS 9: Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7, which seek to support entities in reporting the financial effects of purchase contracts of electricity produced from renewable sources (often structured as Power Purchase Agreements);
- Annual Improvements Volume 11: the document includes clarifications, simplifications, corrections and changes intended to improve consistency among various IFRS Accounting Standards. The amended standards are IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and the related implementing guidelines for IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The directors do not foresee that the adoption of the accounting standards and amendments cited above will have a significant impact on the financial and economic position of the Group.

d) Risks, uncertainties, impacts and methods of application of the international accounting standards in the current environment

With reference to the guidance and guidelines issued by European regulatory and supervisory bodies, as well as by standard setters, one of the most recent relevant publications is the public statement issued by the ESMA on 24 October 2024 entitled "European common enforcement priorities for 2024 corporate reporting", which reiterates the importance of climate-related matters, a factor also present in previous publications, and provides recommendations on certain aspects related to sustainability reporting. In particular, the ESMA underlines the importance of consistency and connection between the information related to climate risks and opportunities provided in financial statements and the information included in the aforesaid sustainability reporting.

In 2024, aspects of uncertainty lingered due to the continuation of geopolitical tensions. In the presence of these conditions of instability, the interest rates intended to contain inflation remained in restrictive territory, despite the 25-basis-point cuts by the European Central Bank during the year. The restrictive policies enacted by the European Central Bank, with the primary aim of bringing inflation back down to the 2% target, partly influenced growth in the Eurozone and Italy, with possible direct and indirect impacts on credit risk in the context of debt service, for businesses and households.

In the final quarter of 2024, these conditions were joined by another element of complexity linked to the prospect of a sharp reduction in European automotive sector sales, associated with growing competition in the context of the planned phase-out of combustion car engines in new vehicles from 2035.

In particular, given the present elements of uncertainty, the risk measurement system is particularly complex and characterised by the uncertainties reflected in the markets. Despite inflation being on track for the target defined by the Central Bank, further uncertainties remain attributable to the volatility of energy prices and real growth prospects, influenced by the national and European economic framework as well as monetary policy transmission mechanisms. Furthermore, sectors linked to real estate

find themselves in a context of prospective uncertainty given the substantial end of recent extraordinary government incentives, including tax credit management, which will see a return to a more ordinary framework of support.

In this context, the Cassa Centrale Group implemented a conservative risk management policy, continuing to adopt strengthened measures and processes, as in the previous two years.

The Group continued to pay particular attention to the onset of potential critical concerns and new vulnerabilities in the context of credit risk, thus launching important activities intended, on the one hand, to identify any direct impacts on the risk factors associated with the exposures and, on the other, to incorporate macroeconomic expectations and the identification of new sector-level vulnerabilities, thanks to the introduction of a new IFRS 9 impairment model and its underlying rating system.

In line with the last update of the previous model, the new IFRS 9 model also sets out several ESG-related parameters, such as the analysis of the materiality of climate and environmental risks developed over the first half of 2024, as well as the effect of physical and transition risks on the recovery process (loss given default, LGD).

After remaining substantially stagnant throughout 2023, economic activities in the Eurozone experienced macroeconomic growth in 2024. Indeed the ECB published its usual economic bulletin in December 2024, outlining a less optimistic GDP growth forecast than the one formulated in September. The 2025-2027 three-year period shows an economic growth trend of +1.1%, +1.4% and +1.3% respectively, closing financial year 2024 at +0.7%. The prospect of possible short-term weaknesses is attributable to the manufacturing sector and the services sector, which show substantial weakness at the SME level. In the long term, however, these sectors may well see an opposite trend, given the possible recovery in household consumption and the strengthening of overseas demand.

Similar trends can be seen across the Italian macroeconomic context. In particular, in December 2024, the Bank of Italy published the GDP forecasts for Italy, which indicated a growth trend of +0.8%, +1.1% and +0.9% respectively for the 2025-2027 three-year period.

In terms of preparing the Consolidated financial statements as at 31 December 2024, the Group continued to adopt the guidelines and recommendations issued by the European regulatory and Supervisory Authorities, as well as by the standard setters, while taking into account the assessments of the significant business activities and the residual support measures put in place by the Government to support households and businesses.

Lastly, the management of the Cassa Centrale Group placed, as usual, special attention on the causes of uncertainty inherent in the estimates that are part of the quantification process of certain items relating to the financial statement assets and liabilities. Due to the effects of the evolution of the current macroeconomic environment arising from international tensions, the main areas of uncertainty in estimates include those relating to credit losses, the fair value of financial instruments, the fair value of real estate investments (IAS 40), income taxes and the recoverability of deferred tax assets, goodwill and other intangible assets.

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

In order to calculate the expected loss at 31 December 2024, the Cassa Centrale Group incorporated macroeconomic scenarios into its IFRS 9 impairment model, in line with the provisions of the standard. These scenarios include the effects of the continuation of geopolitical crises, along with uncertainty around European Central Bank monetary policy. These aspects have significant impacts on growth forecasts, the main macroeconomic variables and financial indicators for 2025-2027, compared to previous forecasts.

For the calculation of IFRS9 value adjustments on the customer-loan portfolio as at 31 December 2024, the Group adopted new IFRS9 models, introduced during the last quarter of 2024, which enable improved assessment of credit exposures, aligned with market best practices and expectations of the Supervisory Authority. These models, in addition to being based on new methodologies, involve the following components: i) an estimation process based on the new definition of default (Art. 178 of CRR), ii) segmentation of customers in line with the process for granting and monitoring credit, iii) new counterparty rating systems (including an acceptance rating model), iv) a more complete level of diversification based both on characteristics of the counterparty and the type of exposure.

The interventions outlined were finalised using a conservative approach, in accordance with the IAS/IFRS accounting standards and in line with the macroeconomic and financial framework that emerged in 2024, described in the previous section. In this context of uncertainty, the Group deemed it appropriate to incorporate the potential impacts of the aforementioned events – which would suggest a possible increase in insolvency rates – into its credit evaluations. The residual support measures introduced by the State, such as those relating to the granting of state guarantees, required a high degree of attention to the credit management and monitoring mechanism, in order to promptly intercept possible effects of deterioration of counterparties that still remain unclear.

These uncertainties resulted in the identification of some areas of intervention considered worthy of further incisive actions to increase coverage, in line with the strict requirements envisaged by the Group policies and with the recommendations of the Supervisory Authority.

In this context and, as reported in further detail in the previous section, taking into account the introduction of the new measurement models mentioned above such as the IFRS 9 models and rating systems, in the final quarter of 2024 the Group revalued and maintained the existing system of minimum provisioning at the geo-sectoral level. This system had previously been introduced in 2022 on the performing positions considered more risky since they fell into the economic sectors most vulnerable to the indirect effects of the Russia/Ukraine conflict (so-called “energy-intensive/gas-intensive sectors”). Furthermore, in order to prevent negative impacts on credit risk associated with the increase in interest rates on exposure to variable rate mortgage loans in stage 2, the Group continued to use the system of additional provisioning introduced for the first time in 2023.

Against the backdrop of this conservative and forward-looking approach in accordance with the provisions of IAS/IFRS accounting standards, in the fourth quarter of 2024 the Group introduced specific overlays to address possible vulnerabilities associated with the macroeconomic and geopolitical environment of reference. The first overlay, a sector overlay, sees an increase in the expected losses for counterparties in the construction, real estate and automotive sectors. These increases are attributable, respectively, to the substantial depletion of extraordinary support given by the State and the revision of tax credit legislation, as well as prospects for possible crises in the Italian and European automotive sector. The second overlay, this one general, is introduced as an element that takes into account the volatility of the measurement system (so-called “model risk” and similar to category C MOCs of advanced models) in the context of adopting a new model (IFRS 9 rating system and model) and given the subsequent back-testing and possible refinements thereto.

A further area of intervention concerned positions in Stage 3 defined as sub-threshold, in accordance with the “Group Credit Classification Policy”, i.e. with an exposure of less than EUR 100 thousand and for which there is no analytical recovery plan. Following the introduction of a new LGD model specifically for in default positions, the previous minimum coverage on these positions was removed.

For the purposes of calculating the expected loss as at 31 December 2024, the Cassa Centrale Group has used four scenarios (mild, baseline, plausibly adverse and severely adverse), appropriately averaging their contributions, in accordance with the assessment of macroeconomic projections that expect continued high variability in the future. The scenarios used were those provided by the info-provider Prometeia, as were their probabilities, in accordance with a scenario generation system that considers publications from leading forecasting bodies, as well as publications issued by the Supervisory Authorities, with no corrections. The historical series used to calibrate all parameters of the IFRS 9 model (PD, LGD, EAD and SICR) were updated to the most recent series available at 30 June 2024. Despite the confirmed growth trend for the 2024-2026 three-year period, the update of the macroeconomic scenarios continues to impact negatively on the short-term forecasts of the Group’s risk factors, albeit less severely compared to projections previously used in the recent past.

We note that in the final quarter of 2023, the macroeconomic models (so-called “PD satellite models”) were also replaced, aimed at transferring the macroeconomic forecasts into the Group’s primary risk factors and into the staging allocation, with a new version that was more methodologically advanced. This update is consistent with the framework of the EBA stress test, based on more up-to-date data, which takes account of a geo-sectoral diversification.

In the final quarter of 2024, in the face of substantial replacement of measurement systems (IFRS 9 rating and models), the corrective measures on PD and LGD parameters were further refined, with the intention to incorporate into the model and, therefore, influence the provisions relating to loans to customers, the initial impacts related to climate and environmental risks and, in

a more extensive approach, the main ESG factors. In this context, therefore, the Group incorporated the potential prospective long-term (2050) effects arising from climate-related and environmental risks associated with credit risk in the most impacted economic sectors into the expected loss calculation.

In order to reflect the uncertainty in the outlook for certain segments of the economy and in line with ECB regulations, the new models introduced make it possible to differentiate the PD curves at the geo-sectoral level, including through the use of the Group's same satellite models and by including the specific scenario projections. This all has an effect on the stage allocation and the calculation of expected losses in several economic sectors and geographic areas measured as most at risk.

Access to support measures was treated from a particularly conservative approach: in particular, for government guarantees given as part of newly originated loans or existing exposures, a specific LGD has been consistently factored into the expected loss calculation that also reflects the collection capacity of the same guarantees, determining a specific calibration of the LGD linked to State-secured loans.

Where the sectors deemed particularly at risk are concerned, the stage classification process of the performing portfolio continued to manifest the effects of the prudential backstop of 300% of the SICR, such as the maximum threshold of variation between lifetime PD at the reporting date and that defined at the origination date on each relationship.

With reference to the current approach and the staging allocation criteria, a suitable and appropriate criteria was identified for collective stage 2 classification was identified to integrate the individual SICR approach. In this way, homogeneous clusters of credit exposures were determined in terms of geographic area, economic activity, and counterparty rating, which, given the risk level, are classified as stage 2 with a forward-looking approach. In this context, the low-credit risk exemption criteria (LCRE, as an exemption of the SICR) was reviewed in the first half of 2024, using an assessment purely based on the twelve-month PDs envisaged by IFRS 9.

Furthermore, with reference to the EAD parameter, for the purposes of determining the expected loss lifetime and the staging allocation, in the absence of a contractual maturity, on the basis of the provisions of the CRR - Capital Requirements Regulation on maturity of AIRB (Advanced Internal Rating Based) models, a behavioural maturity is assigned estimated using internal data, instead of the 12 months defined previously.

The interventions outlined above, guided primarily by a conservative approach, in accordance with the IAS/IFRS accounting standards, and in any case improved and finalised during previous years, made it possible to limit potential future "cliff effects" as well as identify the economic sectors at greatest risk in the current environment. At the same time, this also ensured the reduction of potentially distorted elements in the estimates.

The retrospective sensitivity analysis, carried out on the portfolios of loans to commercial customers, with reference to the introduction of the new IFRS 9 rating systems and models, showed the following effects as at 31 December 2024:

- the introduction of the new IFRS 9 rating systems and models, using the same historical series and macroeconomic scenarios for the calibration as the models used previously, determines a slight reduction in exposures in stage 2, of around 2%;
- in this context, the updated composition of the Group's overlays allows for very minor changes to the impairment provision connected with the performing portfolio;
- the update to the historical series and the macroeconomic scenarios determines a small increase of around 4.4% in exposures in stage 2, and a marginal increase of around 1% in the overall coverage of the performing portfolio;
- with reference to stage 3, the flat-rate analytical coverage defined by the new LGD model replacing the previous one entails an increase of approximately 4.2%, determining average coverage of around 51%.

In 2024 the Parent Company carried out its usual routine monitoring of the Group's entire loan portfolio in order to ensure the correct classification of loans to customers.

Measurement of securities at fair value

The Cassa Centrale Group's securities portfolio at fair value mainly consists of listed government securities with fair value level 1.

The remaining investments in unlisted non-controlling interests and recognised in the portfolio of financial assets measured at fair value through other comprehensive income, exceeding certain thresholds, provided for by the Group's "Fair Value Policy" were measured as at 31 December 2024. Considering that, for these securities, the prevailing valuation methods are those of the market (market approach), it is believed that they incorporate the current market context. In this regard, in order to reflect the turbulence seen on the financial markets it was deemed appropriate to adopt a limited observation horizon of the market capitalisations of comparable listed companies. Specifically, reference was made to the precise observations as at the date the parameters were updated and, limited to the application of the regression methodology, also to the average of the six-month observations.

Impairment test of goodwill and intangibles

As provided for by IAS 36 "Impairment of Assets", the Cassa Centrale Group analysed goodwill and intangibles during preparation of these consolidated financial statements at 31 December 2024, since 12 months had passed since the previous assessment, taking into account the financial projections of the CGUs included in the respective Budgets and in the Prospective Data.

The impairment test confirmed that the recoverable value of the Group's CGUs was higher than their book value. Therefore, the goodwill posted to the consolidated financial statements at 31 December 2024 was not written down.

The analysis of the impaired indicators did not show trigger events that would require an impairment test to be performed on the other intangible assets falling under the scope of assessment for drafting the consolidated financial statements at 31 December 2024.

For more details see Part B, Section 10 - Intangible assets.

e) Disclosure regarding Targeted Longer-Term Refinancing Operations (TLTRO III)

At the reporting date of these consolidated financial statements, all TLTRO-III transactions were expired or repaid. The outstanding transactions at the beginning of the year resulted in a negative contribution to interest margin of about EUR 89 million as at 31 December 2024.

f) Tax consolidation option

The Consolidated Law on Income Tax (TUIR) provides for the possibility, for companies belonging to the same group, to determine a single overall global income – or a single reportable tax loss – corresponding, in principle, to the algebraic sum of the taxable incomes or tax losses of the individual participant companies (i.e. parent company and companies directly and/or indirectly controlled to an extent greater than 50% according to certain requirements) and, as a result, to determine a single tax debt/credit (so-called "national tax consolidation", governed by articles 117-129 of the TUIR).

By virtue of this option, the Parent Company and the subsidiaries Allitude S.p.A., Claris Leasing S.p.A., Prestipay S.p.A., Assicura Agenzia S.r.l., Assicura Broker S.r.l., Centrale Soluzioni Immobiliari S.r.l. in liquidation and Claris Rent S.p.A., which joined the national tax consolidation exercising the related option for the 2023-2025 three-year period, determined their tax burden and the corresponding taxable income was transferred to the Parent Company.

g) Statutory Audits

These consolidated financial statements are subject to an audit by Deloitte & Touche S.p.A..

On 16 June 2021, the Shareholders' Meeting of Cassa Centrale Banca S.p.A. appointed Deloitte & Touche S.p.A. to audit the Parent Company's separate and consolidated financial statements for the nine-year period 2021-2029.

h) Information pursuant to Annex A of First Part, Title III, Chapter 2 of Bank of Italy Circular no. 285 of 17 December 2013

Government Grants Received

Article 35 of Decree Law no. 34/2019 ("Growth" Decree), converted by Law no. 58/2019, reformulated the rules on transparency of public funds contained in article 1, paragraphs 125-129 of Law no. 124/2017. The reformulation focused on the obligations of transparency for information related to subsidies, benefits, grants or aid, in cash or in kind, that are "not general in nature and unrelated to consideration, remuneration or compensation", effectively disbursed by public administrations, as well as by the parties set out under article 2-bis of Legislative Decree no. 33/2013.

In light of this reformulation, further clarifications on interpretation published with Assonime circular no. 32 of 23 December 2019 confirmed that the obligation of transparency refers to the granting of economic benefits arising from a bilateral agreement between a public party and a specific beneficiary. The sums received by the undertaking as consideration for a service provided or as remuneration for an appointment received or due for compensatory purposes are expressly excluded. The economic benefits received in application of a general regime are also excluded, such as tax benefits or grants accessible to all parties that meet certain conditions.

Considering the above, there were no cases of note involving the Group in financial year 2024.

A.2 – Part relating to the main items in the accounts

The accounting standards adopted for the preparation of these consolidated financial statements are shown below.

1 – Financial assets measured at fair value through profit or loss

Classification criteria

Financial assets measured at fair value through profit or loss include:

- financial assets which, according to the business model of the Group, are held for trading purposes, i.e. debt and equities and the positive value of derivative contracts held for trading purposes. These assets are included under consolidated asset item 20. Financial assets measured at fair value through profit or loss, sub-item “a) financial assets held for trading”;
- the financial assets designated at fair value at the moment of initial recognition where the conditions are satisfied (that happens if, and only if, on designation at fair value an accounting asymmetry is eliminated or significantly reduced). These assets are included under consolidated asset item 20. Financial assets measured at fair value through profit or loss, sub-item “b) financial assets designated at fair value”;
- the financial assets that do not pass the so-called SPPI Test (financial assets whose contractual terms do not make exclusive provision for the repayments of principal and interest payments on the amount of principal to be repaid) or that in any case, are obligatorily measured at fair value. These assets are included under consolidated asset item 20. Financial assets measured at fair value through profit or loss, sub-item “c) other financial assets mandatorily measured at fair value”.

Therefore, the Group recognises the following in this item:

- debt securities and loans included in an Other business model (not attributable to Hold to Collect or Hold to Collect and Sell business models) or that do not pass the SPPI Test (including therein UCITS units);
- equity instruments, excluded from those addressed by IFRS 10 and IAS 27 (controlling interests, associates or joint ventures), not measured at fair value through other comprehensive income. In fact, IFRS 9 provides for the possibility of exercising, at the time of initial recognition, the irreversible option (so-called OCI option) to recognise an equity instrument at fair value through other comprehensive income.

This item also includes derivative contracts held for trading that have a positive fair value. The offsetting between the positive and negative present values deriving from transactions with the same counterparty is only possible if there is a legal right to offset the amounts recognised in the accounts and if there is an intention to settle on a net basis the items subject to offsetting.

The reclassification of a financial asset to a different accounting category is permitted only in the event of a change in the business model. Exceptions to this rule are equities for which no reclassification is permitted. More specifically, changes in business model - which in any case should very rarely happen - must be decided by senior management as a result of external or internal changes, must be relevant to the Group's operations and must be demonstrable to external parties. A change in business model could, for example, occur in the case of the acquisition, termination or divestment of a business line or branch of business. In the rare cases of changes to the business model, financial assets measured at fair value through profit or loss may be reclassified to financial assets measured at amortised cost or to financial assets measured at fair value through other comprehensive income.

The reclassification is applied prospectively from the date of reclassification, which, in fact, coincides with the first day of the accounting period following the change in business model that led to the reclassification of the financial assets.

In the event of reclassification from this category to the amortised cost category, the fair value at the date of reclassification represents the new gross carrying amount on the basis of which the effective interest rate is determined.

If, on the other hand, the category in question is reclassified to the category of financial assets measured at fair value through other comprehensive income, the fair value at the date of reclassification is the new gross carrying amount and the effective interest rate is determined on the basis of this value at the date of reclassification. In addition, for the purposes of applying the provisions on write-downs from the date of reclassification, the latter is considered to be the date of initial recognition.

Recognition criteria

The initial recognition of financial assets takes place at the settlement date if settled with the time intervals set by market practices (regular way), otherwise at the trade date. In the case of recognising the financial assets at the settlement date, the profits and losses recorded between the trade date and the settlement date are recognised in the income statement. Upon initial recognition the financial assets held for trading are recorded at the fair value; unless otherwise indicated, this is represented by the amount paid for executing the transaction, without considering the costs or income referring to it and attributable to the same instrument, which are recorded directly in the income statement.

Measurement criteria

Following initial recognition, the financial assets measured at fair value through profit or loss are measured at fair value with recognition of the related changes in the income statement. If the fair value of a financial asset becomes negative, this entry is booked as a financial liability. The change in the fair value of derivative contracts with “customers” counterparties takes their credit risk into account.

To calculate the fair value of the financial instruments listed in an active market, the market listings are used. In the absence of an active market, commonly adopted estimation methodologies are used to factor in all relevant risk factors related to the instruments.

For further details on how fair value is determined, please refer to paragraph “A.4 - Information on fair value” of this Part A.

Derecognition criteria

The financial assets measured at fair value through profit or loss are derecognised when the contractual rights on the cash flows deriving from the same expire or when the financial asset is sold substantially transferring all the associated risks and rewards.

When it is not possible to ascertain the substantial transfer of the risks and rewards, the financial assets are derecognised from the financial statements unless control of said assets has been maintained. Conversely, if control is maintained, even only partial, it is necessary to retain the assets in the financial statements to the extent of the continuing involvement, measured by the exposure to changes in value of the assets transferred and the changes in their cash flows.

The securities delivered as part of a transaction which contractually envisages their repurchase are not derecognised from the financial statements.

Criteria for the recognition of the income components

The positive income components represented by the interest income on securities and relating similar income, as well as the differentials and margins accrued until the date of the financial statements relating to the derivative contracts classified to the item, but managerially connected to the assets or liabilities measured at fair value (so-called fair value option), are entered in the income statement items relating to interest on an accrual basis. The profits and losses from the disposal or repayment and the profits and losses not realised deriving from the changes in the fair value of the trading book are classified in the consolidated

income statement under item 80. Net result from trading for instruments held for trading and in item 110. Net result on other financial assets and liabilities measured at fair value through profit or loss for instruments obligatorily measured at fair value and for instruments measured at fair value.

2 - Financial assets measured at fair value through other comprehensive income

Classification criteria

The financial assets recorded under this item include:

- debt securities, loans and receivables for which:
 - the business model associated to financial assets aims at collecting both the cash flows envisaged contractually and the flows deriving from sale (Hold To Collect and Sell business model);
 - the SPPI Test is passed as the contractual terms only provide for repayments of principal and interest payments on the amount of principal to be repaid.
- equities for which the so-called OCI option has been exercised as an irrevocable choice to present subsequent changes in the fair value of these instruments in other components of the comprehensive income statement. In this respect, it should be noted that the exercise of the so-called OCI option:
 - shall be made at the time of initial recognition of the instrument;
 - must be carried out at the level of the individual financial instrument;
 - is irrevocable;
 - is not applicable to instruments that are held for trading or represent contingent consideration recognised by a purchaser in a business combination to which IFRS 3 applies.

The reclassification of a financial asset to a different accounting category is permitted only in the event of a change in the business model. Exceptions to this rule are equities for which no reclassification is permitted. More specifically, changes in business model - which in any case should very rarely happen - must be decided by senior management as a result of external or internal changes, must be relevant to the Group's operations and must be demonstrable to external parties. A change in business model could, for example, occur in the case of the acquisition, termination or divestment of a business line or branch of business. In the rare cases of changes to the business model, financial assets measured at fair value through other comprehensive income may be reclassified to financial assets measured at amortised cost or to financial assets measured at fair value through profit or loss.

The reclassification is applied prospectively from the date of reclassification, which, in fact, coincides with the first day of the accounting period following the change in business model that led to the reclassification of the financial assets.

In the event of reclassification from this category to the amortised cost category, the fair value at the date of reclassification becomes the new gross value for the purposes of amortised cost. The cumulated profits and losses recorded in the OCI reserve are eliminated from equity and adjusted for the fair value of the financial assets at the date of reclassification. Consequently, the financial asset is valued at the date of reclassification as if it had always been measured at amortised cost. The effective interest rate and the valuation of expected losses are not restated following the reclassification.

If, on the other hand, this category is reclassified to the category of financial assets measured at fair value through profit or loss, the fair value at the date of reclassification becomes the new gross Book value. The cumulated profits and losses recognised in the OCI reserve are reclassified to the income statement at the date of reclassification.

Recognition criteria

The initial recognition of financial assets takes place at the settlement date if settled with the time intervals set by market practices (regular way), otherwise at the trade date. In the event of recognising financial assets at the settlement date, the profits and losses recorded between the trade date and the settlement date are recognised in the equity. Upon initial recognition, the financial assets are recognised at fair value; it is represented, unless otherwise indicated, by the amount paid for executing the transaction, including the transaction costs or income directly attributable to the same instrument.

Measurement criteria

Following initial recognition, the debt securities, loans and receivables classified in this item continue to be measured at fair value. For the aforementioned financial assets the following are recognised:

- in the income statement, the interest calculated with the effective interest rate method, which considers the depreciation of both the transaction costs and the differential between the cost and the repayment value;
- in equity, in a specific reserve, changes in fair value (net of tax) until the asset is derecognised. When the instrument is fully or partially disposed, the cumulated profit or loss in the OCI reserve are booked to the Income Statement (so-called recycling).

Equities classified under this item also continue to be measured at fair value after initial recognition. In this case, however, unlike in the case of debt securities, loans and receivables, the cumulated profit or loss included in the OCI reserve must never be reversed to the income statement (in this case there will be no recycling). In fact, in case of transfer, the OCI reserve may be transferred to a specific available equity reserve. For these equities, only the component relating to dividends received is recorded in the income statement.

For further details on how fair value is determined for financial assets, please refer to paragraph "A.4 - Information on fair value" of this Part A.

It should also be noted that "financial assets measured at fair value through other comprehensive income", both in the form of debt securities, loans and receivables, are subject to impairment in accordance with IFRS 9 in the same way as "financial assets measured at amortised cost". Therefore, for the aforementioned instruments, a value adjustment to cover expected losses will be recognised in the income statement. The estimate of the expected loss using the expected credit loss ("ECL") method is based on the allocation of each position to the three reference stages as explained in more detail in the paragraph "Impairment of financial assets".

The equity instruments are not subject to the impairment process.

Derecognition criteria

The financial assets measured at fair value through other comprehensive income are derecognised when the contractual rights on the cash flows deriving from the same expire or when the financial asset is sold substantially transferring all the associated risks and rewards.

When it is not possible to ascertain the substantial transfer of the risks and rewards, the financial assets are derecognised from the financial statements unless control of said assets has been maintained. Conversely, if control is maintained, even only partial, it is necessary to retain the assets in the financial statements to the extent of the continuing involvement, measured by the exposure to changes in value of the assets transferred and the changes in their cash flows.

The securities delivered as part of a transaction which contractually envisages their repurchase are not derecognised from the financial statements.

Criteria for the recognition of the income components

Interest income on debt securities, loans and receivables - calculated on the basis of the effective interest rate - is recognised in the income statement on an accruals basis. For these instruments, the effects of impairment and any changes in exchange rates are also recognised in the income statement, while other gains or losses deriving from changes in fair value are recognised in a specific equity reserve. At the moment of full or partial disposal, the cumulated profit or loss in the valuation reserve are reversed, wholly or partly to the income statement (recycling).

With reference to equity instruments, the only component that is recognised in the income statement is dividends. The latter are recognised in the income statement only when (par. 5.7.1A of IFRS 9):

- the right of the entity to receive the dividend payment arises;
- it is likely that the economic benefits from the dividend will flow to the entity;
- the amount of the dividend may be reliably estimated.

Normally the aforementioned conditions occur at the time of collection of the dividend following the shareholders' resolution approving the financial statements and distribution of the result for the year by the investee company.

In the case of equities, changes in fair value are recognised as a contra-entry to equity and must not be subsequently transferred to the income statement even if they are realised (no recycling).

3 - Financial assets measured at amortised cost

Classification criteria

Financial assets measured at amortised cost include debt securities, loans and receivables that jointly meet the following conditions:

- the business model associated to financial assets aims at collecting the cash flows envisaged contractually (Hold To Collect business model);
- the SPPI Test is passed as the contractual terms only provide for repayments of principal and interest payments on the amount of principal to be repaid.

Therefore, in the presence of the aforementioned conditions, the Group recognises in this item:

- loans to banks (current accounts, security deposits, debt securities, etc.). This includes operating receivables related to the provision of financial activities and services as defined by the TUB and the TUF (e.g. distribution of financial products). Also included are loans to Central Banks (e.g. compulsory reserve), other than deposits on demand included in the consolidated balance sheet item 10. Cash and cash equivalents;
- loans to customers (mortgages, finance lease transactions, factoring transactions, debt securities, etc.). Also included are loans to post offices and the Cassa Depositi e Prestiti, variation margins with compensation bodies for transactions on derivative contracts and operating receivables related to the provision of financial activities and services as defined by the TUB and the TUF (e.g. servicing activities).

The reclassification of a financial asset to a different accounting category is permitted only in the event of a change in the business model. Exceptions to this rule are equities for which no reclassification is permitted. More specifically, changes in business model - which in any case should very rarely happen - must be decided by senior management as a result of external or internal changes, must be relevant to the Group's operations and must be demonstrable to external parties. A change in business model could, for example, occur in the case of the acquisition, termination or divestment of a business line or branch of business. In the rare cases of changes to the business model, financial assets measured at amortised cost may be reclassified to financial assets measured at fair value through other comprehensive income or to financial assets measured at fair value through profit or loss.

The reclassification is applied prospectively from the date of reclassification, which, in fact, coincides with the first day of the accounting period following the change in business model that led to the reclassification of the financial assets.

In the event of reclassification from this category to the fair value category through other comprehensive income, any differences between the previous amortised cost and the fair value at the date of reclassification are recognised in the OCI reserve. The effective interest rate and the valuation of expected losses are not restated following the reclassification.

If, on the other hand, the category in question is reclassified to the category of financial assets measured at fair value through profit or loss, any difference between the previous amortised cost and the fair value at the date of reclassification is recognised in the income statement.

Recognition criteria

Financial assets are first recognised on the disbursement date (in the case of loans or receivables) or on the settlement date (in the case of debt securities) based on the fair value of the financial instrument. The fair value is normally equal to the amount disbursed or the subscription price, including income and charges directly attributable to the individual instrument and determinable from the origin of the transaction, even when liquidated at a subsequent time. Excluded are the costs that, though having the above mentioned characteristics, are subject to repayment by the debtor counterparty or can be classified among the normal internal costs of an administrative nature.

In the case of assets for which the net amount of the loan disbursed or the price paid on subscription of the security does not correspond to the fair value of the asset, for example due to the application of an interest rate significantly lower than the market rate, initial recognition is made on the basis of the fair value determined using valuation techniques (e.g. discounting future cash flows at an appropriate market rate).

In some cases, the financial asset is considered impaired upon initial recognition (so-called purchased or originated credit-impaired financial assets), for example because the credit risk is very high and, in the case of acquisition, it is acquired with large discounts. In such cases, at the time of initial recognition, an adjusted effective interest rate is calculated for the receivable which includes, in the cash flow estimates, the expected losses calculated over the life of the receivable. The above rate will be used for the application of the amortised cost criterion and the related calculation of interest to be recognised in the income statement.

Measurement criteria

After initial recognition, financial assets are measured at amortised cost using the effective interest rate method. Amortised cost is the amount at which the financial asset is measured on initial recognition less repayments of principal, plus or minus the cumulated amortisation, according to the effective interest criterion, of any difference between that initial amount and the amount at maturity and, for financial assets, adjusted for any provision to cover losses. The effective interest rate is identified by calculating the rate that equals the current value of the future flows of the asset, for principal and interest, to the disbursed amount including the costs/income attributable to said financial asset.

The exceptions to the application of the amortised cost method concern short-term assets, assets that do not have a defined maturity date and receivables subject to revocation. For the above cases, the application of the amortised cost criterion is considered not significant and the valuation is maintained at cost.

It should also be noted that financial assets measured at amortised cost, both in the form of debt securities and loans and receivables, are subject to impairment in accordance with IFRS 9. Therefore, for the aforementioned instruments, a value adjustment to cover expected losses will be recognised in the income statement. The estimate of the expected loss using the expected credit loss ("ECL") method is based on the allocation of each position to the three reference stages as explained in more detail in the paragraph "Impairment of financial assets".

In such cases, for the purpose of calculating amortised cost, the entity is required to include in its cash flow estimates, the expected losses on initial receivables when calculating the credit-adjusted effective interest rate for financial assets that are considered purchased or originated credit-impaired financial assets on initial recognition (IFRS 9 para. B5.4.7).

Derecognition criteria

The financial assets measured at amortised cost are derecognised when the contractual rights on the cash flows deriving from the same expire or when the financial asset is sold by substantially transferring all the risks and rewards connected to it.

When it is not possible to ascertain the substantial transfer of the risks and rewards, the financial assets are derecognised from the financial statements unless control of said assets has been maintained. Conversely, if control is maintained, even only partial, it is necessary to retain the assets in the financial statements to the extent of the continuing involvement, measured by the exposure to changes in value of the assets transferred and the changes in their cash flows.

The securities delivered as part of a transaction which contractually envisages their repurchase are not derecognised from the financial statements.

If the contractual cash flows of a financial asset are subject to renegotiation or, in any case, to an amendment, in accordance with IFRS 9, it is necessary to assess whether or not these amendments have the characteristics to determine the derecognition of the financial asset. More specifically, contractual changes lead to the derecognition of the financial asset and the recognition of a new one when they are considered substantial. In order to assess the substantiality of the change, a qualitative analysis of the reasons why the changes were made is necessary. In regards to this, we wish to distinguish between:

- renegotiations made for commercial purposes with performing customers for reasons other than the economic and financial difficulties of the debtor. These refer to renegotiations which are granted at market conditions, in order to avoid losing customers in cases where they require the cost of the loan to be adjusted to the conditions applied by other banking institutions. These types of contractual changes are considered substantial as they are aimed at avoiding a decrease in future revenues that would occur if the customer decides to turn to another operator. They entail the recognition in the income statement of any differences between the Book value of the derecognised financial asset and the Book value of the newly recognised asset;
- renegotiations due to financial difficulties of the counterparty: this scenario includes concessions made to counterparties in financial difficulty (forbearance measures) that aim to maximise the repayment of the original loan by the customer and thus avoid or contain any future losses, by granting contractual conditions that are potentially more favourable to the counterparty. In these cases, as a rule, the change is closely related to the debtor's inability to repay the cash flows originally established and, therefore, in the absence of other factors, this indicates that there was in substance no extinction of the original cash flows such as to lead to the derecognition of the asset. As a result, the aforementioned renegotiations or contractual amendments qualify as non-substantial. Therefore, they do not generate the derecognition of the financial asset and, according to paragraph 5.4.3 of IFRS 9, involve the recognition in the income statement of the difference between the pre-amendment book value and the value of the financial asset recalculated by discounting the renegotiated or modified cash flows at the original effective interest rate.

In order to assess the substantiality of the contractual amendment, in addition to understanding the reasons underlying the amendment itself, it is necessary to assess the possible presence of elements that alter the original nature of the contract because they introduce new elements of risk or have a significant impact on the original contractual flows of the asset so as to lead to its derecognition and the consequent recognition of a new financial asset. This includes, for example, the introduction of new contractual clauses which change the reference currency of the contract, which allow the credit to be converted/replaced into equity instruments of the debtor or which lead to the failure of the SPPI Test.

Criteria for the recognition of the income components

Interest on loans to banks and customers is classified under consolidated income statement item 10. Interest income and similar revenues and is recorded on an accrual basis, based on the effective interest rate, i.e. applying the latter to the gross book value of the financial asset, except for:

- Purchased or originated credit-impaired financial assets. As noted above, for these financial assets, the effective interest rate adjusted for the receivable at the amortised cost of the financial asset from initial recognition is applied;
- financial assets that are not purchased or originated credit-impaired financial assets but have become impaired financial assets in a second phase. For these financial assets, the effective interest rate is applied to the amortised cost of the financial asset in subsequent years.

If there is an improvement in the credit risk of the financial instrument, as a result of which the financial asset is no longer impaired, and the improvement can be objectively linked to an event occurring after the application of the requirements in point 2 of the above list, interest income shall be calculated in subsequent years by applying the effective interest rate to the gross book value.

It should be noted that the Group applies the criterion referred to in point 2 of the above list only to impaired assets measured using a specific analytical method. Therefore, stage 3 financial assets valued on a flat-rate analytical basis, for which interest is calculated on the gross value of the exposure, are excluded.

Adjustments and write-backs are recorded at each reporting date in the consolidated income statement under item 130. Net value adjustments/write-backs due to credit risk. Profits and losses resulting from the sale of receivables are recorded in the consolidated income statement under item 100. Profit/loss from disposal/repurchase.

The positive income components represented by the interest income and similar revenues relating to securities are entered on an accrual basis, based on the effective interest rate, in the income statement items relating to interest.

Profit and loss relating to securities are recognised in the consolidated income statement under item 100. Profit/loss from disposal/repurchase at the time the assets are sold.

Any impairment of securities is recognised in the consolidated income statement under item 130. Net value adjustments/write-backs due to credit risk. If the reasons that led to the evidence of the decline in value are removed, the write-back is included with recognition in the income statement in the same item.

4 - Hedging transactions

With regard to hedging transactions (hedge accounting), the Group avails itself of the option, provided by the introduction of IFRS 9, to continue to apply IAS 39 in full with regard to both specific hedges and macro hedges.

Classification criteria

This item includes derivative contracts designated as effective hedging instruments. In this regard, hedging transactions are designed to neutralise any losses, that may be incurred on a specific item or group of items, linked to a specific risk should the aforementioned risk actually occur.

The types of hedging provided for by IAS 39 are:

- fair value hedging, aimed at hedging against the exposure to the change in fair value of a financial statement entry (asset or liability) attributable to a particular risk. The objective of macro fair value hedges is to reduce fluctuations in fair value, attributable to interest rate risk, by a monetary amount arising from a portfolio of financial assets or liabilities;

- cash flow hedge, aimed at hedging against the exposure to the change in future cash flows attributable to a particular risk related to a highly probable present or future financial statement entry;
- hedging instruments of a net investment in a foreign company for which the assets were or are managed in a non-euro country or currency.

Only instruments involving a counterparty outside the Cassa Centrale Group may be designated as hedging instruments.

Recognition criteria

The hedging derivative financial instruments are initially entered at fair value and classified in the balance sheet asset or liability item, depending on whether, as at the end of the reporting period, they show a positive or negative fair value.

The hedging transaction is attributable to a strategy predefined by risk management and must be consistent with the adopted risk management policies; it is designated as a hedge if there is formalised documentation of the relationship between the hedged instrument and the hedging instrument, including high initial and prospective effectiveness throughout its life-cycle.

The effectiveness of the hedge depends on the extent to which the changes in fair value of the hedged instrument or the related expected cash flows are offset by those of the hedging instrument. Thus the effectiveness is measured by comparison between these changes.

The hedging is assumed as highly effective when the expected and effective changes in fair value or the cash flows of the hedging financial instrument neutralise almost completely the changes in the hedged element, within the limits set by the interval 80%-125%.

The assessment of the effectiveness is performed at each year-end and interim period using:

- perspective tests, which justify the application of the hedge accounting, since they show its expected effectiveness;
- retrospective tests, which show the level of effectiveness of the hedging reached in the period they refer to.

If the checks do not confirm that the hedging is highly effective, the accounting of the hedging transactions, according to the above, is interrupted and the hedging derivative contract is reclassified among the trading instruments, while the financial instrument subject to hedging goes back to being measured according to the criterion of the original pertinence class and, in case of cash flow hedge, any reserve is reclassified in the income statement along the residual duration of the instrument.

The hedging links also cease when the derivative expires or is sold or exercised and the hedged element is sold or expires or is repaid.

Measurement criteria

After initial recognition, hedging derivatives are measured at fair value. The calculation of the fair value of the derivatives is based on the prices inferred from regulated markets or supplied by operators, on option measurement models or future cash flow discounting models.

For further details on how fair value is determined, please refer to paragraph "A.4 - Information on fair value" of this Part A.

Derecognition criteria

The hedging derivatives are derecognised when the right to receive the cash flows from the asset/liability has expired, or where the derivative is sold, or when the conditions for continuing to book the financial instrument under the hedging derivatives no longer apply.

Criteria for the recognition of the income components

Fair value hedge

In the case of a fair value hedge, the change in the fair value of the hedged item is offset by the change in the fair value of the hedging instrument. This offsetting actually takes place through the recognition in the income statement of changes in value, referring both to the hedged item and the hedging instrument. Any difference represents the ineffectiveness of the hedge and is reflected in the income statement in terms of net effect. In the case of macro fair value hedges, changes in fair value with reference to the hedged risk of the hedged assets and liabilities are recognised in the balance sheet, respectively, in the consolidated financial statements item 60. Fair value change of financial assets in hedged portfolios or item 50. Adjustment of the financial liabilities subject to macro-hedging.

If the hedging relationship no longer satisfies the conditions for the application of hedge accounting and the hedging relationship is revoked, the difference between the carrying amount of the hedged element at the time when the hedge ceases and that which would have been its carrying amount if the hedge had never existed, is amortised in the income statement along the residual lifespan of the hedged element based on the effective rate of return in case of instruments entered at amortised cost. In the event that it is excessively costly to recalculate the internal rate of return, it is considered acceptable to amortise the delta fair value relating to the hedged risk over the residual life of the instrument in a linear manner or in relation to the residual portions of capital.

If this difference refers to non-interest bearing financial instruments, it is recorded immediately in the income statement. If the hedged element is sold or repaid, the portion of fair value not yet amortised is recognised immediately in the income statement.

Cash flow hedges and hedging instruments of a net investment in a foreign currency

In the case of cash flow hedges, changes in the fair value of the derivative are recognised, limited to the effective portion of the hedge, in an equity reserve. The above changes are recognised in the income statement only when, with reference to the hedged item, there is a change in the cash flows to be offset or if the hedge is ineffective.

When the hedging relationship no longer meets the conditions for the application of hedge accounting, the relationship is terminated and all losses and gains recognised in the equity reserve up to that date remain suspended within it and reversed to the income statement when the flows relating to the risk originally hedged occur.

5 – Equity investments

Classification criteria

This item includes interests held in associates and jointly controlled companies.

The following definitions in particular apply:

- associate: equity investments in companies for which, despite the conditions of control not being satisfied, the Group, directly or indirectly, is able to exercise a significant influence as it has the power to participate in determining the financial and management policies of the investing company. Such influence is presumed (relative presumption) to exist for companies in which the Group owns at least 20.00% of the voting rights of the investee company;
- jointly controlled company (Joint venture): an equity interest in a company that is achieved through a contractual agreement that collectively grants all parties or a group of parties control of the agreement.

Recognition criteria

Equity investments are initially entered at cost, including the directly attributable ancillary charges.

Measurement criteria

Investments in associates and investments in jointly controlled companies are valued using the equity method. This means that, after initial recognition, the Book value is subsequently increased or decreased to record the Group's share of the profits and losses of the investee companies realised after the acquisition date, as a contra-entry to consolidated income statement item 250. Profit (loss) on equity investments.

If there is objective evidence of impairment, an estimate is made of the recoverable amount of the same investment, considering the current value of the future cash flows the same may generate, including the final disposal value of the investment. If the recoverable amount of the asset is lower than its Book value, the impairment loss is recognised in the income statement under item 250. Profit (loss) on equity investments in the consolidated financial statements.

Derecognition criteria

Equity investments are derecognised when the right to receive the cash flows from the asset has expired, or where the equity investment is sold by substantially transferring all the risks and benefits connected to it.

Criteria for the recognition of the income components

Dividends from investee companies are recorded under the consolidated income statement item 70. Dividend and similar income. The latter are recognised in the income statement only when (par. 5.7.1A of IFRS 9):

- the right of the entity to receive the dividend payment arises;
- it is likely that the economic benefits from the dividend will flow to the entity;
- the amount of the dividend may be reliably estimated.

Normally the aforementioned conditions occur upon the shareholders' resolution approving the financial statements and distribution of the result for the year by the investee company.

In the Consolidated Financial Statements, dividends received are deducted from the Book value of the investee company.

Any value adjustments/write-backs connected to the valuation of the equity investments as well as profits or losses deriving from the disposal are recognised under item 250. Profit (loss) on equity investments in the consolidated financial statements.

6 - Tangible assets

Classification criteria

This item mainly includes land, properties for business use (IAS 16) and properties held for investment purposes (IAS 40), the plants, vehicles, furniture, furnishings and equipment of any type for long-lasting use.

Property for business use is defined as those tangible assets that are functional to the pursuit of the corporate purpose (including those held for use in the provision of services or for administrative purposes). On the other hand, property held for investment purposes includes property held for the purpose of receiving rental fees and/or for the appreciation of the invested capital.

The item also includes tangible assets classified under IAS 2 - Inventories, which refer both to assets arising from the enforcement of guarantees or the purchase at auction that the company intends to sell in the near future, without carrying out major renovation work, and which do not qualify for classification in the previous categories, and to the real estate portfolio including buildable areas of land, properties under construction, completed properties for sale and real estate development initiatives, held with a view to disposal.

Included are rights of use acquired through lease and relating to the use of a tangible asset (for lessees), assets under operating leases (for lessors), and improvements and incremental expenses incurred on third party assets, provided they relate to identifiable and separable tangible assets.

Recognition criteria

The tangible assets are initially entered at purchase or construction cost, including any ancillary charges directly attributable to the purchase and commissioning of the asset.

The unscheduled maintenance expenses and the costs of an increasing nature that imply increased future benefits being generated by the asset, if these can be identified and separated, are attributed to the assets they refer to and depreciated in relation to the residual possibility of using the same. If these improvements cannot be identified and separated, they are recorded in the consolidated financial statements under 'Other Assets' and subsequently depreciated based on the length of the contracts they refer to for the third-party assets, or along the residual life of the asset, if owned.

The expenses for repairs, maintenance or other actions to ensure the ordinary operation of the assets are instead recognised in the income statement of the year when they are incurred.

According to IFRS 16, leases are accounted for on the basis of the "right of use" model for which, at the initial date, the lessee has a financial obligation to make payments due to the lessor to offset its right to use the underlying asset during the lease term. When the asset is made available to the lessee for use (start date), the lessee recognises both the liability and the asset consisting of the right of use.

Measurement criteria

After initial recognition, the tangible assets, including non-instrumental properties, notwithstanding the specifications below, are entered in the accounts at cost, net of accumulated depreciation and any write-downs for the reductions in value, in compliance with the 'cost model'.

Tangible assets are systematically depreciated each year based on their useful life by adopting the straight line method as the depreciation criterion. The following are not subject to depreciation:

- land, whether purchased individually or incorporated in the value of the buildings, since considered to have an undefined useful life. If their value is incorporated in the value of the building, assets which are separate from the building are only the 'free-standing' property assets; the subdivision between the value of the land and a value of the building is based on the appraisal of independent appraisers;
- works of art, the useful life of which may not be estimated, also since their value normally increases over time;
- real estate investments measured at fair value in compliance with accounting standard IAS 40;
- inventories of tangible assets, in accordance with IAS 2;
- tangible assets classified as held for disposal in accordance with IFRS 5.

The depreciation process starts when the asset is available for use. For the assets acquired during the year, the depreciation is calculated on a daily basis starting from the date of using the asset.

A write-down for value impairment is recorded for an amount corresponding to the excess in the book value compared to the recoverable amount. The recoverable amount of an asset is equal to the higher of the fair value, net of any sales costs, and the related value of using the asset, meant as the current value of the future flows originating from the asset. Any adjustments are recognised in the income statement.

If the reasons leading to recording the loss cease to apply, a write-back is accounted for, which may not exceed the value that the asset would have had, net of depreciation calculated in the absence of previous impairment losses.

Tangible assets recognised in accordance with IAS 2 are valued at the lower of cost and net realisable value. Any adjustments are recognised in the Income Statement.

With reference to the asset consisting of the right of use, accounted for in accordance with IFRS 16, it is measured using the cost model in accordance with IAS 16 Property, plant and equipment; in this case the asset is subsequently depreciated and subject to impairment testing if indicators of impairment emerge.

Derecognition criteria

Tangible assets are eliminated from the balance sheet at the time of disposal or when they are permanently withdrawn from use and, as a consequence, no future economic benefits are expected which derive from their sale or use.

Capital gains and losses deriving from the release or disposal of the tangible assets are determined as the difference between the net sale payment and the Book value of the asset; they are recorded in the income statement at the same date when they are eliminated from the accounts.

Criteria for the recognition of the income components

Depreciation, value adjustments and write-backs of tangible assets are recorded in the income statement, in consolidated financial statements item 210. Net value adjustments/write-backs to tangible assets.

In the first year the depreciation is recorded proportionally to the effective period of using the asset.

The assets subject to depreciation are adjusted for possible impairment losses each time events or changes in situations indicate that the Book value might not be recoverable. These impairment losses are recognised in the income statement, as are any reversals to be recognised if the reasons for the impairment no longer apply.

In the consolidated income statement item 280. Profit (loss) from disposal of investments, the positive or negative balance between the profits and losses on investments is recognised.

7 - Intangible assets

Classification criteria

Accounting standard IAS 38 defines intangible assets as non-monetary assets without physical substance owned for use in a multi-year or undefined period, which meet the following characteristics:

- identifiability;
- the company holds the control;
- it is probable that the expected future economic benefits attributable to the asset will flow into the company;
- the cost of the asset may be reliably measured.

In the absence of one of these characteristics, the expense to acquire or generate the same internally is recorded as a cost in the year when it was incurred.

Intangible assets include, in particular, the application software with multi-year use and the other identifiable intangible assets that originate from legal or contractual rights.

Intangible assets also include goodwill, which represents the positive difference between the purchase cost and the fair value of the assets and liabilities of the acquired company.

Recognition criteria

Intangible assets are entered at cost, adjusted for any ancillary costs incurred to arrange the use of the asset, only if it is probable that the future economic benefits attributable to the asset will be realised and if the cost of the same asset may be determined reliably. Otherwise the cost of the tangible asset is recorded in the income statement in the year when it was incurred.

Measurement criteria

After initial recognition, intangible assets with a definite useful life are recognised at cost, net of the accumulated amortisation and impairment losses.

The amortisation process starts when the asset is available for use, or when it is in the place and conditions suitable to be able to work in the set manner.

Amortisation is carried out with the straight line method, in a way to reflect the multi-year use of the assets based on the estimated useful life. In the first year the depreciation is recorded proportionally to the effective period of using the asset. Amortisation ends from the date when the asset is eliminated from the accounts.

At each year-end, given the presence of evidence of impairment losses, an estimate is made of the recoverable amount of the asset. The amount of the impairment, recorded in the income statement, is equal to the difference between the Book value of the asset and its recoverable amount.

Derecognition criteria

Intangible assets are eliminated from the balance sheet at the time of their disposal or when future economic benefits are not expected. Capital gains and losses from the release or disposal of an intangible asset are calculated as the difference between the net sale payment and the Book value of the asset and entered in the income statement.

Criteria for the recognition of the income components

In the first year the depreciation is recorded proportionally to the effective period of using the asset.

In the consolidated income statement item 220. Net value adjustments/write-backs to intangible assets, the positive or negative balance between the value adjustments, amortisation and write-backs relating to the intangible assets is indicated. In the consolidated income statement item 280. Profit (Loss) from disposal of investments, the positive or negative balance between the profits and losses on investments is recognised.

8 – Non-current assets and groups of assets held for disposal

Classification criteria

This item includes the non-current assets held for sale and the associated groups of assets and liabilities held for disposal, according to the provisions of IFRS 5.

More specifically, assets and groups of assets are classified in this item whose Book value will be mainly recovered with a sale rather than their continuous use.

For the recovery of a non-current asset or a group held for disposal through a sale to materialise, two conditions must be met:

- the asset must be available for immediate sale in its current condition, subject to conditions, which are usual and customary, for the sale of such assets (or groups held for disposal);
- the sale of the non-current asset (or group held for disposal) must be highly probable.

Since the sale is highly probable, Management at a suitable level must be committed to an asset disposal programme, and activities must be started to identify a purchaser and complete the programme. In addition, the asset must be actively exchanged in the market and put up for sale, at a reasonable price compared to its current fair value. The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the sale plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets and groups of assets held for disposal and discontinued operations and related liabilities are shown under specific items of the consolidated assets (120. Non-current assets and groups of assets held for disposal) and the consolidated liabilities (70. Liabilities associated with assets held for disposal).

Recognition criteria

The non-current assets and groups of assets held for disposal are initially recognised at the lower between the Book value and the fair value net of costs to sell. With the exception of certain types of assets (e.g. financial assets falling within the scope of IFRS 9), IFRS 5 specifically provides that the measurement criteria of the relevant accounting standard must be applied.

Measurement criteria

In the measurements subsequent to initial recognition, non-current assets and groups of non-current assets held for disposal continue to be valued at the lower of their book value and their fair value net of costs to sell, with the exception of certain types of assets (e.g. financial assets falling within the scope of IFRS 9) for which IFRS 5 specifically provides that the measurement criteria of the relevant accounting standard must be applied.

In cases where assets held for disposal are depreciable, the depreciation process is interrupted from the time when classification as non-current assets held for disposal takes place.

Derecognition criteria

The non-current assets and groups of assets held for disposal are eliminated from the balance sheet at the time of disposal.

If an asset (or group held for disposal) classified as held for sale loses the criteria for inclusion in accordance with accounting standard IFRS 5, the asset (or group held for disposal) must no longer be classified as held for sale.

It is necessary to assess a non-current asset that ceases to be classified as held for sale (or ceases to be part of a group held for disposal and classified as held for sale) at the lower between:

- the accounting value before the asset (or group held for disposal) was classified as held for sale, adjusted for all the amortisation, write-downs or write-backs that would have otherwise been recorded if the asset (or group held for disposal) had not been classified as held for sale;
- its recoverable amount at the date of the subsequent decision to not sell.

The items include the current and deferred tax assets and current and deferred tax liabilities recognised in application of IAS 12.

Income taxes relating to discontinued operations are calculated in compliance with current taxation regulations and are recognised in the income statement on an accrual basis, in line with the recognition in the accounts of the costs and revenues that generated them, except for those relating to the entries charged or credited directly in the equity, for which the recognition of the related taxation takes place, for consistency, in the equity.

Criteria for the recognition of the income components

Income and expenses (net of the tax effect) attributable to groups of assets held for disposal or recognised as such during the year are shown in the relevant consolidated income statement item 320. Profit (loss) after tax from discontinued operations.

9 - Current and deferred taxes

Current taxes

Current tax assets and liabilities are recorded at the value due or recoverable against the tax profit (loss) by applying the rates and the current taxation regulations. Current taxes that are entirely or partially unpaid at the reference date are posted under 'Current tax liabilities' of the consolidated balance sheet.

In the event of overpayment, which gave rise to a recoverable receivable, this is accounted for among the 'Current tax assets' of the consolidated balance sheet.

In accordance with IAS 12, the Group compensates current tax assets and liabilities if, and only if, it:

- has an enforceable right to offset the amounts recognised;
- intends to settle for the net residual, or realise the asset and simultaneously settle the liability.

Deferred taxes

Deferred tax assets and liabilities are booked by using the balance sheet liability method, taking into account the temporary differences between the carrying amount of an asset or a liability and its value recognised for tax purposes. They are calculated using the applicable tax rates according to current laws, in the year when the deferred tax asset will be realised or the deferred tax liability will be settled.

Tax assets are recorded only if it is deemed probable that in the future a taxable income will be realised, against which this asset may be used.

In particular, tax regulations may lead to differences between taxable income and statutory income that, if temporary, only cause a temporal mismatch that implies the advance or deferment of the time of taxation compared to the period of accrual, thus determining a difference between the carrying amount of an asset or a liability in the balance sheet and its value recognised for tax purposes. These differences are distinguished between 'deductible temporary differences' and 'taxable temporary differences'.

Deferred tax assets

Deductible temporary differences indicate a future reduction in taxation, against a prepayment of tax compared to the economic-statutory accrual. They generate deferred tax assets since they will determine a lower tax burden in the future, on the condition that in the following years, taxable profits are realised in a sufficient measure to cover the realisation of the taxes paid in advance.

Deferred tax assets are recorded for all the deductible temporary differences if it is probable that a taxable income will be realised against which the deductible temporary differences may be used. However the probability of recovering advance taxes relative to goodwill, other intangible assets and adjustments to receivables is to be considered automatically fulfilled pursuant to the provisions of the law that provide for their transformation into a tax credit in the event of a statutory and/or tax loss.

The transformation enters into effect from the date of the approval of the shareholders' meeting of the separate financial statements of the entities in which the loss is recognised.

The origin of the difference between the higher fiscal income and the statutory one is mainly due to negative income components fiscally deductible in years that are subsequent to those of recognition in the financial statements.

Deferred tax liabilities

Taxable temporary differences indicate a future increase in taxation and consequently generate deferred tax liabilities, since these differences give rise to taxable amounts in the following years to those when they are attributed to the statutory income statement, determining a deferment of the taxation compared to the economic-statutory accrual.

Deferred tax liabilities are recorded for all the taxable temporary differences with the exception of the deferred tax reserves since transactions that determine the taxation are not envisaged.

The origin of the difference between the lower fiscal income and the statutory one is due to:

- positive income components taxable in years after those when they were entered in the accounts;
- deductible negative income components in years prior to the one when they will be entered in the accounts according to statutory criteria.

Assets and liabilities entered for advance and deferred taxes are systematically measured to take into account any amendments taking place in the regulations or in the rates.

Advance taxes and deferred taxes are accounted for at capital level with open balances and without offsetting and are booked in consolidated balance sheet item 110. Tax assets, sub-item "b) deferred" and 60. Tax liabilities, sub-item "b) deferred".

If the deferred tax assets and liabilities refer to components which concerned the income statement, the contra-entry is represented by income tax. In case the advance and deferred taxes concern transactions which directly regard the equity without influencing the income statement (such as the valuation of financial instruments measured at fair value through other comprehensive income), they are recorded as a contra-entry to equity, affecting the specific reserve when applicable.

Global Minimum Tax (Legislative Decree no. 209 of 27 December 2023)

In implementation of the principles laid down in Law no. 111 of 9 August 2023, Legislative Decree no. 209 of 27 December 2023 transposed into Italian law Council Directive (EU) 2022/2523 of 14 December 2022, intended to ensure a global minimum level of taxation (so-called "Global Minimum Tax", or "GMT") for multinational enterprise groups and large-scale domestic groups in the Union.

Title II of the decree introduced global minimum taxation aligned with the so-called GloBE Rules devised internationally by the OECD in order to combat harmful tax competition between States.

In principle, the legislation in question applies from financial years beginning on or after 1 January 2024, to national and multinational groups with revenues recorded in the consolidated financial statements of the parent company exceeding EUR 750 million in at least two of the four financial years prior to the one in question.

The Global Minimum Tax aims to ensure effective taxation of at least 15% for each jurisdiction where the aforesaid groups are located, through the application of a top-up tax in cases where the so-called “Effective Tax Rate” in a given jurisdiction, following the adjustments laid down in the rules under the aforementioned Title II and the respective implementing decrees, is lower than the aforesaid minimum tax rate.

In 2024, the legislation in question was supplemented by Ministerial Decree of 20 May 2024, concerning the governance of simplified transitional regimes (so-called “Transitional Safe Harbours” or “TSH”), as well as by Ministerial Decree of 1 July 2024 on the so-called “domestic minimum tax”.

With specific reference to the Cassa Centrale Group, it should be noted that the Directive of the Ministry of Economy and Finance issued on 17 February 2025 under “Guidelines on global minimum tax, introduced with Legislative Decree no. 209 of 27 December 2023 – absence of application requirements for cooperative banking groups”, clarified that affiliated banks participating in cooperative banking groups by virtue of a “cohesion contract” reflected in the consolidated financial statements, do not fall under the scope of application of Global Minimum Tax since the Parent Company does not hold a controlling equity interest, since such equity interest is a necessary requirement for the identification of a Group as well as an essential pre-condition for the applicability and function of GMT.

Limiting the legislative scope to the industrial group formed of the Parent Company and its subsidiaries, as defined on the basis of the controlling equity interest mentioned and without taking account of the cohesion contract, with effect from 1 January 2024, as a Multinational Group that exceeded the revenue threshold of EUR 750 million for two of the four previous financial years, the Group falls under the scope of application of GMT and is therefore also potentially impacted by its jurisdiction in Luxembourg, where the subsidiary Neam operates.

On the basis of the analyses carried out, the exposure of the Cassa Centrale Banca Group, identified on the basis of the controlling equity interest, to the Pillar Two income tax in the two jurisdictions in which it operates (Italy and Luxembourg) at the closing date of the financial year is assessed to be nil, since, in both jurisdictions, the so-called Simplified ETR Test is passed, applied taking account of the OECD clarifications available to date.

Lastly, it should be noted that the Group is still monitoring the ongoing developments in legislation at global and domestic level, including in order to implement the necessary GMT management processes.

10 - Provisions for risks and charges

Classification criteria

In compliance with the provisions of IAS 37, the provisions for risks and charges include the provisions relating to current (legal or implicit) obligations originating from a past event, for which the use of economic resources is probable to fulfil the same obligation, as long as a reliable estimate of the related amount can be made.

Recognition criteria

Therefore, this item includes the following:

- “Provision for credit risk relative to commitments and financial guarantees given”: the value of the total provisions for credit risk is recognised in respect of the commitments to disburse funds and financial guarantees given which are subject to the impairment rules of IFRS 9 (see paragraph 2.1, letter e); paragraph 5.5; appendix A), including therein the financial guarantees given and the commitments to disburse funds which are measured at the first-time recognition value, net of the total revenues booked in compliance with IFRS 15;
- “Provision for other commitments and guarantees given”: the value of the total provisions in respect of other commitments and other guarantees given which are not subject to the impairment rules of IFRS 9 is recognised (see IFRS 9, paragraph 2.1, letters e) and g));
- provisions for post-employment benefits includes the provisions in respect of benefits provided to the employee after terminating the employment relationship in the form of defined contribution plans or defined benefit plans;
- other provisions for risks and charges: these include other provisions for risks and charges established in compliance with the provisions of the international accounting standards (e.g. personnel expenses, tax disputes).

Measurement criteria

The amount recorded as allocation represents the best estimate possible of the charge requested to fulfil the existing obligation at the reference date.

Where the time element is significant, the provisions are discounted by using current market rates.

The allocated funds are periodically reviewed and adjusted, if necessary, to reflect the best current estimate. If, following the review, the charge becomes unlikely to be incurred, the provision is cancelled. With regard to provisions for employee benefits, please refer to paragraph “15.2 - Provision for severance indemnity and seniority bonuses” below.

Derecognition criteria

If it is unlikely that the use of resources to produce economic benefits to fulfil the obligation will be necessary, the provision must be cancelled. A provision must be used only for those expenses for which it was originally entered.

Criteria for the recognition of the income components

The provision is recognised in the income statement, in consolidated financial statements item 200. Net allocations to provisions for risks and charges.

The item includes the positive or negative balance between the allocations and any re-attributions to the income statement of funds deemed redundant.

The net allocations also include the decreases in funds for the discounting effect as well as the corresponding increases due to the passing of time (accrual of the interest implicit in discounting).

11- Financial liabilities measured at amortised cost

Classification criteria

Financial liabilities measured at amortised cost include amounts due to banks and customers, whatever their technical form (deposits, current accounts, loans, leases), other than Financial liabilities held for trading and Financial liabilities designated at fair value.

This item also includes securities issued for funding purposes (e.g. certificates of deposit, bonds) measured at amortised cost. Securities that, as at the reference date, are expired but still not repaid are included.

Recognition criteria

The initial recognition of these financial liabilities takes place upon receiving the sums collected or issuing the debt securities. The value at which they are entered corresponds to the related fair value, normally equal to the amount collected or the issue price, increased by any additional costs/income directly attributable to the individual funding or issue transaction and not repaid by the creditor counterparty. Internal costs of an administrative nature are excluded.

The fair value of the financial liabilities, possibly issued at different conditions from market conditions, is subject to a suitable estimate and the difference compared to the amount collected is, where appropriate, directly recognised in the income statement.

Measurement criteria

Following initial recognition, carried out at fair value, on the date of signing of the contract, the financial liabilities are measured at the amortised cost, using the effective interest rate method.

Excluded are the short-term liabilities, where the time factor is negligible, which remain recorded at their collected value, and whose costs and income directly attributable to the transaction are entered in the relevant items of the income statement.

Derecognition criteria

The financial liabilities are derecognised from the financial statements when settled or expired, or when securities issued by the Group are reacquired, with a consequent redefinition of the debt entered for debt securities in issue.

Criteria for the recognition of the income components

The negative income components represented by the interest expense are entered on an accrual basis in the items in the income statement relating to interest.

Any difference between the value of repurchasing own securities and the corresponding Book value of the liability is entered in the income statement, under the consolidated financial statements item 100. Profit (loss) from disposal/repurchase of: c) Financial liabilities.

12 - Financial liabilities held for trading

Classification criteria

Subject to recognition in this item are the financial liabilities, whatever their technical form (debt securities, loans, etc.) classified in the trading book.

The item includes, where present, the negative value of the trading derivative contracts. Derivatives connected to the fair value option are also included in this category (as defined in IFRS 9, section 4.2.2) which are operationally related to the assets and liabilities measured at fair value which on the reporting date have a negative fair value, except for derivatives which are designated as effective hedging instruments and recognised in a separate liability item in the balance sheet. If the fair value of a derivative subsequently becomes positive, it shall be recognised among financial assets measured at fair value through profit or loss.

Recognition criteria

The derivative financial instruments are entered at the subscription date and measured at fair value through profit or loss.

Measurement criteria

Subsequently to the initial recognition, the financial liabilities are measured at fair value through profit or loss.

For details on how fair value is determined, please refer to the following paragraph "A.4 - Information on fair value" of this Part A.

Derecognition criteria

Financial liabilities held for trading are derecognised from the financial statements when the contractual rights to the relevant cash flows expire or when the financial liability is transferred with the substantial transfer of all the risks and rewards deriving from its ownership.

Criteria for the recognition of the income components

Profits and losses deriving from changes in fair value and/or from the disposal of financial liabilities held for trading are recognised in the income statement under item 80. Net result from trading.

13 - Financial liabilities designated at fair value

Classification criteria

Classified in this item are those financial liabilities designated at fair value with valuation results entered in the income statement as a result of the exercise of the fair value option provided by IFRS 9, i.e. when:

- an inconsistency in the valuation or recognition is eliminated or significantly reduced (sometimes defined as an accounting mismatch), which would otherwise result from the measurement of assets or liabilities or the recognition of the associated profits and losses on a different basis;
- there is an implicit derivative;

- a group of financial liabilities or financial assets and liabilities is managed and its return is designated at fair value according to a documented risk management or investment strategy and the information relating to the group is provided internally on said basis to executives with strategic responsibilities.

Recognition criteria

Financial liabilities designated at fair value are initially recognised at fair value on the issue date, which normally corresponds to the amount collected without considering the transaction costs or income directly attributable to the same instrument, which are instead attributed to the income statement.

Measurement criteria

Liabilities are designated at fair value. The income components are reported according to the provisions of IFRS 9, as set out below:

- changes in fair value attributable to the change of its creditworthiness are stated in the appropriate equity reserve (statement of consolidated comprehensive income);
- the remaining changes in fair value are recognised in the income statement, under consolidated financial statements item 110. Net result on other financial assets and liabilities measured at fair value through profit or loss.

For details on how fair value is determined, please refer to the following paragraph “A.4 - Information on fair value” of this Part A.

Derecognition criteria

The financial liabilities designated at fair value are derecognised from the financial statements when they have expired or are extinct.

Derecognition also takes place in case of repurchasing previously issued securities. The difference between the Book value of the liability and the amount paid to purchase is recorded in the income statement.

The re-placement on the market of own securities subsequently to their repurchase is considered as a new issue with entry of the new placement price, without effects on the income statement.

Criteria for the recognition of the income components

The cost for interest on debt instruments is classified among the interest expense and similar charges of the consolidated income statement.

The income components relating to this financial statements item are reported according to the provisions of IFRS 9, as below:

- changes in fair value attributable to the change of its creditworthiness are stated in the appropriate equity reserve (statement of consolidated comprehensive income);
- the remaining changes in fair value are recognised in the income statement, under consolidated financial statements item 110. Net result on other financial assets and liabilities measured at fair value through profit or loss.

14 - Foreign exchange transactions

Classification criteria

Among the assets and liabilities in foreign currencies, in addition to those explicitly expressed in a currency other than the Euro, are also those to which financial indexing clauses apply, connected to the Euro exchange rate with a certain currency or a given basket of currencies.

For the purpose of the conversion method to be used, the assets and liabilities in foreign currencies are subdivided into monetary items (classified among the current items) and non-monetary items (classified among the non-current items).

The monetary elements consist of cash at hand and in the assets and liabilities to be received or paid, in cash amounts that are fixed or to be determined. In non-monetary elements, the right to receive or the obligation to deliver a cash amount that is fixed or to be determined is absent.

Recognition criteria

Transactions in foreign currencies are recorded, at the time of initial recognition, in a currency account, by applying the exchange rate in force at the transaction date to the amount in a foreign currency.

Measurement criteria

At the time of closing the financial statements or the interim period, the elements originally denominated in foreign currencies are valued as follows:

- the monetary items are converted at the exchange rate at year-end;
- the non-monetary items measured at the historical cost are converted at the exchange rate in force at the transaction date;
- the non-monetary items carried at fair value are converted at the spot exchange rate at year-end.

Criteria for the recognition of the income components

The exchange rate differences found between the transaction date and the related payment date, on the monetary elements, are booked in the income statement in the year when they arise, together with those which derive from the conversion of monetary elements at different rates from the initial conversion rates or the conversion at the previous year-end.

When a profit or loss relating to a non-monetary element is recorded in the Equity, the exchange rate difference relating to this element is also recorded in the Equity.

When a profit or loss is recorded in the income statement, the related exchange rate difference is also recorded in the income statement.

15 - Other information

15.1 Sales and repurchase contracts (repos)

Securities sold and subject to a repurchase agreement are classified as committed financial instruments when the purchaser has the right to resell or re-commit the underlying asset by contract or agreement; the liability of the counterparty is included in the liabilities to other banks, other deposits or customer deposits.

The securities purchased in relation to a resale contract are accounted for as loans or advances to other banks or customers.

The difference between the sales price and the purchase price is booked as interest and recorded on an accrual basis along the lifespan of the transaction.

15.2 Provision for severance indemnity and seniority bonuses

Provision for severance indemnity is similar to a post-employment benefit of the defined benefit plan type the value of which IAS 19 requires to be determined using actuarial methodologies.

Consequently, the valuation at the end of the year is made on the basis of the benefits accrued using the projected unit credit method.

This method provides for a projection of future outflows based on historical, statistical and probability analysis as well as by virtue of adopting the appropriate basic demographic techniques.

It makes it possible to calculate the severance indemnity accrued on a certain date in actuarial terms, distributing the expense for all the years of expected residual permanence of the existing employees and no longer as an expense to be settled in the event that the company ceases its operations on the reference date.

The valuation of the employee severance indemnity is carried out by an independent actuary pursuant to the method indicated above.

Following the entry into effect of the supplementary pension reform, pursuant to Legislative Decree no. 252/2005, the portions of the provision for severance indemnity accrued to 31 December 2006 will remain in the company, while the portions that accrue from 1 January 2007 have been, at the option of the employee, applied to supplementary pension plans or the INPS fund.

The latter were therefore recognised in the income statement based on the contributions due in each year; the obligation to the supplementary fund or INPS has not been discounted, due to a maturity of less than 12 months.

Based on IAS 19, the severance indemnity paid to the Pension Fund Treasury (INPS) is considered as a defined contribution plan, as is the amount paid into the supplementary fund.

The portions accrued and paid into the supplementary pension funds are recognised in the consolidated income statement sub-item 190. a) Staff expenses.

These portions are configured as a defined contribution plan since the obligation of the company towards the employee ends with the payment of the accrued amounts. Therefore, for these cases, only the portion of the debt can be recorded under the liabilities (among 'Other liabilities') for payments still to be made to the INPS or the supplementary funds, on the reference date.

IAS 19 requires all actuarial gains and losses accrued on the reference date to be immediately recognised in the "statement of consolidated comprehensive income".

The “Other long-term benefits” described by IAS 19 include the seniority bonuses to employees. These benefits must be valued, in compliance with IAS 19, with the same methodology used to determine the provision for severance indemnity, as these are compatible.

The liability for the seniority bonus is recorded under the provisions for risks and charges of the balance sheet.

The allocation, as the reattribution to the income statement of any excesses of the specific fund (due for example to changes to the actuarial assumptions) are recognised in the income statement among the “Personnel costs”.

15.3 Recognition of revenues and costs

Revenues are recognised when control of the goods or services is transferred to the customer at an amount that represents the amount of the consideration to which the customer is deemed to be entitled.

Revenues are recorded through a process of analysis that involves the following steps:

- identification of the contract, defined as an agreement in which the parties have undertaken to fulfil their respective obligations;
- identification of the individual performance obligations contained in the contract;
- determination of the transaction price, i.e. the expected consideration for the transfer of the goods or services to the customer;
- allocation of the transaction price to each performance obligation, based on the sales prices of the individual obligation;
- recognition of revenues when (or as) the performance obligation is fulfilled by transferring the promised good or service to the customer.

That said, the recognition of revenues may occur:

- at a given time, when the entity meets its performance obligation by transferring the promised good or service to the customer or
- over a period of time, as the entity meets its performance obligation by transferring the promised good or service to the customer.

With reference to point b) above, a performance obligation is satisfied over a period of time if at least one of the following conditions is met:

- the customer controls the asset involved in the contract at the moment in which it is created or enhanced;
- the customer simultaneously receives or consumes the benefits provided by the entity’s performance as the entity performs;
- the company’s performance creates a personalised asset for the customer and the company has a payment right for the services completed at the date of transfer of the asset.

If none of the above criteria are met, then the revenue is recognised at a given moment.

The indicators of the transfer of control are:

- the obligation to pay;
- the legal title of the right to the consideration accrued;
- the physical possession of the asset;
- the transfer of risks and benefits related to ownership;
- the acceptance of the asset.

With regards to revenues realised over a period of time, the Group adopts a time-based accounting method. In relation to the above, the main approaches adopted by the Group are summarised below:

- the interest is recognised on a temporal basis, based on the contractual interest rate or the effective rate in the case of applying the amortised cost;
- the overdue interest, possibly set contractually, is booked in the income statement only at the time of its actual collection;
- the dividends are recorded in the income statement in the period in which their distribution is resolved;
- the fees and commissions for revenue from services are entered, based on the existence of contractual agreements, in the period when the same services were rendered.

The revenues from the sale of non-financial assets are recorded at the time of finalising the sale, unless most of the risks and benefits associated with the asset have been maintained.

The costs are booked to the income statement according to the accrual principle; the costs relating to obtaining and fulfilling of the contracts with the customer are recognised in the income statement in the periods in which the associated revenues are recognised.

15.4 Improvements to third-party assets

The restoration costs on third party properties are capitalised in consideration of the fact that, throughout the duration of the lease, the using company has the control of the goods and may gain future economic benefits from them. The aforementioned costs are classified among the 'Other assets' and are amortised for a period not exceeding the duration of the lease.

15.5 Methods of recognition of impairment losses

Impairment of financial assets

Financial assets other than those measured at fair value through profit or loss, in accordance with IFRS 9, are subject to an assessment – to be carried out at the end of each reporting period – to verify whether there are any indicators that these assets may be impaired (so-called impairment indicators).

If the above indicators exist, the financial assets in question are considered impaired (stage 3) and value adjustments equal to the expected losses over their entire residual life must be recorded against them.

For financial assets for which there are no impairment indicators (stage 1 and stage 2), it is necessary to verify whether there are indicators such that the credit risk of the individual transaction is significantly increased compared to the time of initial recognition and apply, consequently, the criteria underlying the IFRS 9 impairment model.

The IFRS 9 impairment model

The scope of application of the IFRS 9 impairment model adopted by the Bank, on which the requirements for the calculation of allocations are based, includes financial instruments such as debt securities, loans, trade receivables, assets deriving from contracts and receivables originating from lease transactions, measured at amortised cost or fair value through other comprehensive income, as well as off-balance sheet exposures (financial guarantees and commitments to disburse funds).

The aforementioned impairment model is characterised by a forward looking approach and in given circumstances, may require the immediate recognition of all expected losses over the life of a loan. This estimate will also need to be continuously adjusted to take account of the credit risk of the counterparty. In order to prepare this estimate, the impairment model must not only consider past and present data, but also information relating to future events.

For credit exposures falling within the scope of application of the impairment model, the accounting standard provides for the allocation of the individual positions in one of the 3 stages listed below:

- in stage 1, positions that do not present, at the valuation date, a significant increase in credit risk or which can be identified as 'low credit risk';
- in stage 2, positions that, at the reference date, present a significant increase or that do not present the characteristics to be identified as 'low credit risk';
- in stage 3, non-performing positions.

More specifically, the Group made provision for the allocation of the individual credit, on-balance and off-balance sheet positions, in one of the three stages listed below, based on the following criteria:

- in stage 1, positions with generation date of less than three months from the measurement date or that do not present any of the characteristics described in the following point;
- in stage 2, the positions, which at the reference date, showed a significant increase in credit risk:
 - positions belonging to certain particularly risky geo-sectoral clusters, identified by an IFRS 9 PD higher than 20% on average, or identified "collectively" as at risk;
 - positions which, at the valuation date, are classified to watch list, i.e. performing under observation;
 - positions which, as at the valuation date, show an increase in PD compared to that at origination, which exceeds certain thresholds calculated using quantile regression methods;
 - presence of a 'forborne performing' attribute;
 - presence of past due amounts and/or overrun by more than 30 days;
 - positions (without 'lifetime PD' at the disbursement date) that, at the measurement date, do not present the characteristics to be identified as 'low credit risk' (as described below);
 - counterparty positions classified as performing and identified on the basis of the Group policy as POCI (Purchased or Originated Credit Impaired);
 - positions with hedging subject to overlays over predefined hedging thresholds were moved to stage 2;
- in stage 3, non-performing loans. These concern individual positions relating to counterparties classified in one of the impaired loan categories set forth by Bank of Italy Circular no. 272/2008 and subsequent updates. Falling into this category are impaired past due and/or overrun, 'unlikely to pay' and impaired exposures.

Performing positions which at the valuation date have a one-year PD pursuant to IFRS 9 no greater than 0.3% are considered low credit risk.

Positions are allocated automatically to the stages set out in IFRS 9 according to the criteria defined above.

The estimate of expected loss using the Expected Credit Loss (ECL) methodology, for the classes defined above, takes place on the basis of the allocation of each position into the three reference stages, as detailed below:

- stage 1, expected loss is calculated on a time horizon of one year;
- stage 2, the expected loss is calculated by considering all the losses that it is presumed will be incurred during the entire life of the financial asset (lifetime expected loss);
- stage 3, the expected loss must be calculated from a lifetime perspective, but unlike the positions in stage 2, the calculation of lifetime expected loss will be analytical. In addition, where appropriate, forward looking elements will be introduced to the measurement of the aforementioned positions represented, in particular, by the inclusion of different scenarios (e.g. sale), weighted for the relevant probability of occurrence. More specifically, as part of the estimate of the recovery value of the positions (in particular those classified as non-performing), the inclusion of a transfer scenario,

as an alternative to the internal management scenario, normally involves the recognition of greater value adjustments connected with the application of weighted sale prices for the relative probability of occurrence of the transfer scenario.

With specific reference to loans to banks, the Group has adopted a model for determining the significant increase in credit risk that differs slightly from that applied to loans to customers, although the stage allocation logic adopted for loans to banks have been defined as consistently as possible with those implemented for loans to customers.

More specifically, with reference to loans to banks, the low credit risk ratios are performing ratios which at the valuation date have the following characteristics:

- absence of lifetime PD at the disbursement date;
- PD Point in Time lower than 0.3%.

Interbank positions are allocated automatically to the stages set out in IFRS 9 according to the criteria defined above. Now, therefore, for loans to banks, the Group adopts the IFRS 9 impairment model developed on an ad hoc basis for the specific counterparty type and, therefore, different from the model used for loans to customers.

Also for loans to banks, the estimate of expected loss using the Expected Credit Loss (ECL) methodology, for the classes defined above, takes place on the basis of the allocation of each position into the three reference stages, as detailed below:

- stage 1: expected loss is calculated on a time horizon of 12 months;
- stage 2: expected loss is calculated on a time period that incorporates the entire duration of the position until maturity (so-called LEL, Lifetime Expected Loss);
- stage 3, expected loss must be calculated from a lifetime perspective, but unlike the positions in stage 2, the calculation of lifetime expected loss is analytical.

The probability of default and exposure at default (hereinafter also PD and EAD) risk parameters are calculated by the impairment model.

The loss given default (hereinafter also "LGD") parameter is prudentially set at the regulatory level of 45% valid in the IRB Foundation model, for portfolios composed of risk assets other than subordinated and guaranteed instruments.

With reference to the portfolio of securities, the use of the approach for loans is confirmed, i.e. allocation of securities into one of the three stages set forth by IFRS 9, which correspond to the three different expected loss calculation methodologies.

In stage 1, expected loss is measured within a time horizon of one year, therefore with a probability of default at 12 months.

In the stage 1 of creditworthiness, securities were placed:

- at the moment of purchase, regardless of their risk;
- which, at the measurement date, have not experienced a significant increase in credit risk with respect to the moment of purchase;
- which have experienced a significant decrease in credit risk.

In stage 2, the ECL is calculated by using the probability of lifetime default. This stage will include those securities that possess the following characteristics:

- at the measurement date, the instrument presents an increase in credit risk with respect to the purchase date as such to request the recognition of an expected loss until maturity;
- instruments that fall under stage 3 on the basis of a significant decrease in risk.

The third and final stage includes exposures for which the ECL is calculated using a probability of default of 100%.

The decision to place instruments in stage 1 or in stage 2 is connected with the quantification of the thresholds that identify a significant increase in the credit risk of the individual tranche subject to valuation. These thresholds are calculated from the characteristics of the portfolio. As regards stage 3, an analysis is conducted as to whether the increase in risk was high enough, from the moment of initial recognition, to consider the assets 'impaired', i.e. whether events were verified as such to negatively impact future cash flows. As outlined previously, an incremental loss must be recognised from stage 1 to stage 3. In more detail:

- the 12-month ECL represents the expected value of the loss estimated on an annual basis;
- the lifetime ECL is the estimate of expected loss until maturity of the security;
- the estimate parameters of the ECL are the probability of default, the Loss Given Default and the Exposure at Default of the individual tranche (PD, LGD, EAD).

Analytical impairment of receivables in stage 3

With reference to the analytical valuation of loans, the model used by the Group to determine allocations for impaired loans (stage 3) measured at amortised cost or at fair value through other comprehensive income requires, depending on their characteristics, the use of a specific analytical valuation or a flat-rate analytical valuation.

The specific analytical valuation method is designed to determine the correct quantification of the allocations for each position, considering both the characteristics of the individual position being valued and the characteristics of the counterparty to which the same is registered.

The purpose of the flat-rate analytical valuation is to determine the correct quantification of allocations for each position and is carried out by estimating risk parameters defined by a statistical model, in line with the provisions for the collective assessment of performing exposures with reference to stage 2 credit exposures.

The flat-rate analytical valuation shall apply to credit exposures with the following characteristics:

- impaired past due and/or overrun exposures;
- impaired off-balance sheet exposures (e.g. endorsement exposures, available margins on credit);
- On-balance exposures classified as unlikely to pay that do not exceed an amount threshold defined at the individual debtor level (so-called size threshold);
- On-balance exposures classified as non-performing that do not exceed the size threshold.

The specific analytical valuation applies to credit exposures that have the following characteristics:

- On-balance exposures classified as unlikely to pay that exceed the size threshold;
- On-balance exposures classified as non-performing that exceed the size threshold.

For the purposes of applying the size threshold, the overall credit exposure is taken as a reference at the level of the individual debtor, thus determining, alternatively, a flat-rate or specific analytical valuation for all cash relationships in the name of the same debtor. The size threshold for counterparties classified as unlikely to pay and non-performing is EUR 100,000.

The assessment of expected losses, in particular with regard to non-performing exposures, shall be carried out taking into account the probability that different credit realisation scenarios will occur, such as the assignment of the exposure or, conversely, internal management.

With regard to the specific analytical valuation of recoverable amount (valuation component), the Group adopts two alternative approaches that reflect the characteristics and riskiness of individual credit exposures:

- "going concern" approach, which applies only to business counterparties, operating in sectors other than real estate, that have objective prospects of going concern that are assumed when:

- the debtor's future operating cash flows are pertinent and can be reliably estimated from documentable sources, such as:
 - updated, complete and regular official financial statements;
 - the business plan, the use of which for estimating cash flows is subject to (i) verification of the reliability and feasibility of the assumptions underlying the plan and (ii) full compliance with the plan, if it is already in progress;
 - the plan provided for in relation to agreements pursuant to the Bankruptcy Law such as, for example, pursuant to Article 67 letter d), Article 182 bis and septies, Article 186 bis, Article 160 et seq., it being understood that as long as the plans have only been submitted and not sworn in by the external professional appointed, the participating banks must carry out the same checks as those provided for with reference to the business plans;
 - the debtor's future operating cash flows are adequate to repay the financial debt to all creditors;
- "gone concern" approach, which applies obligatorily to credit exposures in the name of individuals and for companies with a view to business cessation or where it is not possible to estimate operating cash flows.

The discounting of the recoverable amount (financial component), applied for non-performing loans and unlikely to pay, is based on the determination of the discount rate and the recovery time.

Impairment of equity investments

At each reporting date, investments in associates or jointly controlled companies are subject to an impairment test to verify whether there is objective evidence that the Book value of the assets in question is not fully recoverable. If there is any indication of this, the entity must estimate the asset's recoverable amount that, therefore, is tested for impairment.

The presence of impairment indicators (such as the presence of lower than expected economic performance of the investee company, significant changes in the environment or in the market where the company operates or in market interest rates, etc.) leads to the recognition of an impairment loss to the extent that the recoverable amount of the investment is lower than its carrying amount.

The recoverable amount is represented by the higher of the fair value, net of costs to sell and the value in use of the equity investment. As a consequence, the need to estimate both values does not apply if one of them has been valued above the Book value.

For the valuation methods used to determine fair value, reference should be made to paragraph "A.4 - Information on fair value" of this Part A.

The value in use of the investment is the present value of the expected cash flows from the asset. This quantity responds to a general logic according to which the value of an asset is a direct expression of the cash flows it is able to generate over the period of its use. The determination of value in use therefore presupposes the estimate of the cash flows expected from the use of the assets or their final disposal expressed in terms of present value through the use of appropriate discount rates.

When an equity investment does not generate cash flows that are largely independent from other assets, it is subject to an impairment test not independently, but at the level of the CGU. Therefore, when assets attributable to a subsidiary are included in a CGU larger than the investment itself, the impairment test can only be carried out at the latter level and not at the level of the individual investee company for which a value in use cannot be correctly estimated.

If the outcome of the impairment shows that the recoverable amount is higher than the Book value of the equity investment, no value adjustment is recognised; otherwise, an impairment loss is recognised in Consolidated Income Statement item 250. Profit (loss) on equity investments.

Should the recoverable amount subsequently be higher than the new Book value because it can be demonstrated that the elements that led to the write-down are no longer present, a write-back is permitted up to the amount of the previously recorded adjustment.

Impairment of other fixed assets

Tangible assets

IAS 36 establishes that, at least once a year, the company must verify whether the tangible assets held show one or more indicators of impairment. If such indicators are found, the enterprise must carry out a valuation (impairment test) in order to detect any impairment loss.

The impairment test does not apply to the tangible assets that constitute:

- real estate investments measured at fair value (IAS 40);
- inventories (IAS 2);
- assets within the scope of IFRS 5.

The impairment indicators to be considered are those defined by paragraph 12 of IAS 36. In this regard, impairment indicators specific to tangible assets may occur, for example, in the presence of obsolescence that prevents normal use of the same such as fire, collapse, unusability and other structural defects.

Although IAS 36 is applicable to individual assets, it is often very difficult or, in some cases, impossible to calculate the value in use of an individual tangible asset. For example, it is not always possible to attribute specific incoming or outgoing cash flows to a property that hosts the Management (so-called corporate asset) or to a plant or machinery. In these cases, IAS 36 states that the CGU, i.e. the smallest grouping of assets that generates independent cash flows, must be identified and tested at this higher level (rather than on the individual asset). This is precisely because it is often a group of assets - and not a single asset - that generates cash flow and for this reason it is not possible to calculate the value in use of the individual asset.

Without prejudice to the above, the impairment test involves the need to compare the recoverable amount (which in turn is the higher of value in use and fair value net of costs to sell) of the tangible asset or the CGU with the relative Book value.

If and only if the recoverable amount of an asset or of the CGU is lower than its Book value, the latter must be reduced to the recoverable amount, configuring an impairment loss.

Intangible assets

Pursuant to IAS 36, the Group is required to perform an impairment test at least once a year, irrespective of the presence of impairment indicators, on the following assets:

- intangible assets with an indefinite useful life (including goodwill);
- intangible assets not yet available for use (including those in progress).

Other intangible assets (e.g. those with a defined useful life such as core deposits acquired in a business combination) must be subject to an impairment test only if there is an indicator of impairment.

In this regard, the impairment indicators to be considered for intangible assets are those defined by paragraph 12 of IAS 36. Specific impairment indicators for intangible assets (and in particular for goodwill) may occur, for example, in the event of actual results significantly below budget forecasts (which suggests a downward revision of the projections used for the test) or in the event of an increase in the discount rate or a reduction in the long-term growth rate.

Intangible assets with a definite useful life, such as any value of the asset management portfolio acquired as part of business combinations, in the presence of impairment indicators are subject to a new assessment process to verify the recoverability of the values recorded in the financial statements. The recoverable amount is determined on the basis of the value in use, i.e. the present value, estimated using a rate representative of the time value of money and the risks specific to the asset, the profit margins generated by the relationships existing at the date of the valuation over a time horizon expressing the expected residual duration of the same.

Intangible assets with an indefinite useful life, represented mainly by goodwill, as mentioned above, are tested annually for impairment. As there are no independent cash flows, the impairment test is carried out for the above mentioned assets with reference to the Cash Generating Unit (CGU) to which the values have been attributed.

The CGU represents the smallest identifiable group of assets generating cash inflows (revenues) that are largely independent of the flows generated by other assets or groups of assets. It identifies the lowest possible level of aggregation of assets provided that it is, at that level, possible to identify cash inflows that are objectively independent and autonomous from other assets.

Once the CGUs have been identified, it is necessary to determine their recoverable amount, which will be compared with their Book value in order to quantify any impairment. The recoverable amount is defined as the greater of:

- value in use;
- the fair value less costs to sell.

IAS 36 at para. 19 states that if one of the two values (value in use or fair value less costs to sell) is higher than the Book value of the CGU, it is not necessary to estimate the other.

Value in use represents the present value of future cash flows expected to arise from a CGU. The value in use, therefore, responds to a general logic according to which the value of an asset is a direct expression of the cash flows it is able to generate over the period of its use. The determination of value in use requires an estimate of the expected cash inflows and outflows from the CGU and the appropriate discount rate depending on the level of risk of these flows.

Fair value is the amount obtainable from the sale of an asset or Cash Generating Unit (CGU) in a free transaction between knowledgeable and independent counterparties. Costs to sell include those directly associated with the potential sale (e.g. legal fees).

A CGU is written down when its Book value is higher than its recoverable amount. In essence, an asset or CGU needs to be written down because it is impaired, either because the cash flows that will be generated from the use of the asset are not sufficient to recover the book value of the asset, or because the asset would be sold for less than its book value.

15.6 Business combinations

A business combination consists of the bringing together of companies or company activities into a single entity required to prepare financial statements.

A business combination may give rise to an investment link between the Parent Company (acquirer) and subsidiary (acquiree). A business combination may also make provision for the purchase of the net assets of another company, including any goodwill, or the acquisition of the capital of another company (mergers and contributions).

Based on the provisions of IFRS 3, business combinations must be accounted for by applying the purchase method which envisages the following phases:

- identification of the purchaser;
- determination of the cost of the business combination;
- allocation, at the acquisition date, of the cost of the business combination to the assets acquired and liabilities assumed, including therein any contingent liabilities.

In particular, the cost of a business combination is determined as the sum of the fair value, at the date of the exchange, of the assets transferred, the liabilities incurred or assumed and the equity instruments issued, in exchange for control of the acquiree augmented by any cost directly attributable to the business combination.

The acquisition date is the date on which control of the business acquired is effectively obtained. When the acquisition is carried out via a single exchange, the exchange date coincides with the acquisition date.

When the business combination is achieved through several exchange transactions:

- the cost of the combination is the total cost of the individual transactions;
- the exchange date is the date of each exchange transaction (i.e. the date on which each investment is recognised in the financial statements of the acquiring company), while the acquisition date is the date on which control of the business acquired is obtained.

The cost of a business combination is allocated by recognising the identifiable assets, liabilities and contingent liabilities of the acquiree at the associated fair values at the acquisition date.

The identifiable assets, liabilities and contingent liabilities of the acquiree are recognised separately at the acquisition date only if, at said date, they satisfy the following criteria:

- in the event of an asset other than an intangible asset, it is likely that any future related economic benefits flow to the purchaser and it is possible to reliably measure its fair value;
- in the event of a liability other than a contingent liability, it is likely that, to extinguish the obligation, the use of resources aimed at generating economic benefits will be necessary and it is possible to reliably measure its fair value;
- in the event of an intangible asset or a contingent liability, the relevant fair value can be reliably measured.

The positive difference between the cost of the business aggregation and the purchaser's interest at the net fair value of the identifiable assets, liabilities and contingent liabilities must be accounted for as goodwill.

Following initial recognition, the goodwill acquired in a business combination is measured at the relevant cost, and is subject to an impairment test at least annually. In the event of a negative difference, a new measurement is performed. This negative difference, if confirmed, is booked immediately as revenue in the income statement.

15.7 Accruals and deferrals

Accruals and deferrals that include expenses and income pertaining to the period accrued on assets and liabilities are booked to the financial statements as an adjustment to the assets and liabilities to which they refer.

15.8 Own shares

Any own shares held are deducted from equity. Similarly, the original cost of the same and the profits or losses arising from their subsequent sale are recognised as movements in equity. Similarly, shares issued by the Parent Company and subscribed by the Affiliated Banks as part of the sole consolidating entity are also deducted from Group's equity.

15.9 Payments based on shares

This case does not apply to the Group, as it does not have a so-called 'stock option plan' in place on Group-issued shares.

15.10 Transfer of the "Tax bonus" tax credit - Law no. 77 of 17 July 2020

As known, Law no. 77 of 17 July 2020, converting, with amendments, to the Relaunch Decree law, has strengthened tax deductions for seismic and energy upgrade interventions on national real estate assets, granting taxpayers the possibility of opting

for the conversion of the tax deduction into a tax credit that can be transferred to third parties, mainly to credit institutions and suppliers.

Since the conversion into law of the "Relaunch Decree", the tax deductions arising from construction works have undergone significant changes, both in terms of the procedure for exercising the option of sale or discount on the invoice as well as in terms of the time period within which the expenses are incurred, intended to restrict the scope of application of the Superbonus and the so-called "minor" bonuses and their transferability. The legislative changes present in Decree Law no. 39/2024, among other things, limit the possibility to offset the tax credits already held by Banks, including for acquisitions of previous tax credits, due to the exclusion from 1 January 2025 of the components related to pension contributions, social/assistance contributions, and premiums for insurance against occupational injuries and illnesses. Furthermore, they prohibit the possibility to sell the tax credits that the Affiliated Banks purchased from their customers at a price below 75% of their nominal value.

Therefore, we believe that following the aforementioned legislative changes, there will be a progressive reduction of transfers to credit institutions.

On the basis of the information available during preparation of the consolidated financial statements at 31 December 2024, a current and prospective fiscal capacity within the Group is estimated that would make it possible to autonomously offset, in 2025 and later years, all tax credits present in the portfolio at the reporting date. Furthermore, various entities of the Group have signed forward contracts with third parties of high standing that, by reducing the overall amount of tax credits subject to future offsetting, further increase the aforesaid excess in fiscal capacity.

In relation to the accounting classification to be adopted in the financial statements of the assignee, there is no single reference framework for the particular and new characteristic of the instrument in question. In particular, the present case:

- does not fall within the scope of IAS 12 "Income taxes" as it cannot be assimilated to taxes that affect the ability of the company to produce income;
- does not fall within the scope of the definition of government grants according to IAS 20 "Accounting for government grants and disclosure of government assistance" as the ownership of the receivable from the tax authorities arises only after payment of a consideration to the transferor;
- is not attributable to the provisions of IFRS 9 "Financial instruments" as the tax credits purchased do not originate from a contract between the assignee and the Italian State;
- is not attributable to IAS 38 "Intangible assets", as the tax credits in question can be considered monetary assets, allowing the payment of tax payables usually settled in cash.

The tax credit in question therefore represents a case not explicitly dealt with by an IAS/IFRS accounting standard, and as such requires reference to the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and in particular the need for the reporting entity to define an accounting treatment that reflects the economic substance and not merely the form of the transaction and that is neutral, prudent and complete.

The approach followed, with particular reference to the application of the accounting standard IFRS9, is the one identified both by the Italian Accounting Body (OIC) and by the Bank of Italy/CONSOB/IVASS Document no. 9 ("Accounting treatment of tax credits related to the 'Cura Italia' and 'Rilancio' Decree Laws acquired following their transfer by direct beneficiaries or previous purchasers"). Tax credits are, in fact, substantially similar to a financial asset in that they can be used to offset a debt usually paid in cash (tax debts), as well as being exchanged for other financial assets. The condition to be met is that the same tax credits may be framed in a business model of the entity. The Cassa Centrale Group includes tax credits in the hold-to-collect business model, as the intention is to hold these receivables until maturity.

In this sense, the following can be established:

- at the time of initial recognition, the fair value of the tax credit is equal to the purchase price of the receivables included in the transaction;

- in the fair value hierarchy envisaged by IFRS 13, the fair value level is similar to level 3, as there are currently no active markets or comparable transactions;
- the purchase price of tax receivables is affected by both the time value of money and the ability to use it within the relative time limit;
- the subsequent accounting of financial assets takes place at amortised cost, through the use of an effective interest rate determined at the origin, so that the discounted cash flows associated with the expected future offsetting, estimated over the expected duration of the receivable tax, equal the purchase price of the same receivables;
- using the amortised cost method, the cash flow estimates are periodically reviewed and the gross book value of the financial asset is adjusted to reflect the actual and restated cash flows. In making these adjustments, the new cash flows are discounted at the original effective interest rate. This accounting therefore makes it possible to recognise the income during the life of said tax credit, as well as to immediately recognise any losses of the transaction;
- if the estimates regarding the use of the tax credit are revised through offsetting, the gross book value of the tax credit is adjusted to reflect the estimated, actual and restated uses. This also includes the breakdown into ten annual instalments of the residual credits arising from the transfer or invoice discount relating to the deductions due for certain building works;
- SPPI test: The mechanism of compensation in annual portions ensures that the test is passed because each portion offset is assimilated to a constant cash flow, which includes a principal and an implicit interest rate (French amortisation), where the interest rate is determined on the basis of an internal rate of return of the transaction determined at the origin and no longer modified.
- taking into account the special characteristics of these tax credits, held with the aim of using them until they are completely offset, within the time period allowed, with the payments of debts payable through F24, as mentioned above, the Cassa Centrale Group attributes the tax credits for the sole purpose of assessing the financial statement item to the Hold To Collect business model.

If, according to a Group company, the actual or prospective individual ceiling has been exceeded and, on the basis of the transfer orders collected from its customers, in order to preserve the established commercial relationships, it enters into forward contracts to transfer tax credits with counterparties outside the Group, it is considered more appropriate from an accounting perspective to attribute these credits to the “hold to collect and sell” business model, which better represents tax credits held for sale or, alternatively, for offsetting.

This business model provides for a measurement of the items at fair value through equity, i.e. at each accounting closing it is necessary to adjust the book value to align it with the fair value calculated and to measure at equity the delta between the fair value measurement and the one at amortised cost.

In light of the forward contracts and related transfer prices, it follows that the purchasers grant the entities of the Cassa Centrale Group purchase prices close to the book values at the presumed transfer date. Therefore, the book value of such loan portfolio as at 31 December 2024 is representative of the fair value found in the market transactions stipulated with counterparties outside the Group.

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

The Group has not performed any transfer between the portfolios of the financial instruments during the current year. Thus the compilation of the envisaged tables is omitted.

A.4 – Information on fair value

Information of a qualitative nature

The accounting standard IFRS 13 defines fair value as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The “Fair value policy” of the Cassa Centrale Group has defined the principles and methods for determining the fair value of financial instruments and the criteria for determining the so-called “fair value hierarchy”.

A fair value measurement assumes that the sale of the asset or the transfer of the liability takes place:

- in the main market for the asset or liability;
- in the absence of a main market, in the most advantageous market for the asset or liability.

In the absence of a main market, all reasonably available information is taken into consideration in order to identify an active market among the available markets where the fair value of an asset/liability can be measured: in general, a market is active in relation to the number of contributors and the type of the same (dealer, market maker), the frequency of price updating and deviation, the presence of an acceptable bid-offer spread. These prices are immediately executable and binding and express the actual and regular levels of exchange on the valuation date.

In order to identify these markets, the Group has equipped itself with tools to monitor whether or not a market can be considered active, in particular with regard to bonds, shares and funds.

In this respect, in general, a financial instrument is considered to be quoted on an active market if prices are readily and regularly available, are immediately executable and binding and represent actual market transactions that occur regularly in normal trading on a regulated market or Multilateral Trading Facilities (MTFs).

The presence of official prices in an active market is the best evidence of fair value; these prices therefore represent the prices to be used in priority for fair value measurements.

In the absence of an active market, fair value is determined using prices recorded on non-active markets, valuations provided by info providers or techniques based on internal valuation models which are described in the Group’s internal regulations.

When using such models, the use of relevant observable inputs shall be maximised where possible and the use of non-observable inputs shall be minimised. Observable inputs refer to prices formed within a market and used by market participants in determining the exchange price of the financial instrument being valued. This includes prices of the same asset/liability in a non-active market, parameters supported and confirmed by market data and valuation estimates based on daily observable inputs.

The non-observable inputs, on the other hand, are those not available on the market, processed on the basis of assumptions that the operators/assessors would use in determining the fair value for the same instrument or similar instruments of the same type.

IFRS 13 defines a fair value hierarchy that classifies the inputs of the valuation techniques adopted to measure fair value into three distinct levels. In particular, there are three levels of fair value:

- Level 1: fair value is determined on the basis of quoted prices observed on active markets. The Group has equipped itself with tools to identify and monitor whether or not a market can be considered active with regard to bonds, shares and funds. A financial instrument is considered to be listed on an active market if prices are readily and regularly available, are immediately executable and binding and represent actual market transactions that occur regularly in normal trading on a regulated market or Multilateral Trading Facilities (MTF). For example, the following are classified at this level of fair value:
 - bonds listed on Bloomberg MTF and valued with composite prices or, limited to Italian government securities, with MOT reference price;
 - shares and ETFs listed on markets where in the last five sessions the volumes traded are not zero and the prices recorded are not identical;
 - UCITS mutual funds, i.e. undertakings for collective investment in transferable securities.
- Level 2: fair value is determined on the basis of valuation techniques that envisage:
 - reference to market values that do not reflect the stringent active market requirements envisaged for Level 1;
 - valuation models using inputs observable on active markets. More specifically, with regard to financial instruments for which it is not possible to identify a fair value in active markets, the Group refers to prices in markets where the stringent requirements of the active market are not met or to valuation models - also developed by info providers - aimed at estimating the price at which a regular sale or transfer of a liability between market participants would take place on the valuation date. These models for determining fair value (e.g. discounting cash flow model, option pricing models) include the representative risk factors that condition the valuation of a financial instrument (cost of money, credit risk, volatility, exchange rates, etc.) and that are observed in active markets such as:
 - the prices of similar financial assets/liabilities;
 - interest rates and yield curves observable at commonly quoted intervals;
 - implied volatility;
 - credit spread;
 - inputs corroborated by the market based on observable market data.

The fair value thus determined is assigned a level of 2. Some examples of securities classified at this level are:

- non-governmental bonds for which a price is available on a non-active market;
 - securities for which the valuation is provided by a third party provider using inputs observable on active markets;
 - securities for which valuation is provided using internal models based on inputs observable on active markets (e.g. bonds measured at fair value option);
 - shares that are not listed on an active market;
 - OTC (Over the counter) financial derivatives concluded with institutional counterparties measured mainly through observable market data.
- Level 3: the estimate of fair value is carried out using valuation techniques that make significant use of inputs that are not observable on the market and assumptions made by operators using historical evidence or statistical assumptions. Where present, as examples, the following are classified at this level:
 - unlisted minority equity investments;

- insurance investment products;
- unlisted non-UCITS funds;
- junior securitisation securities;
- unlisted Additional Tier 1 bonds.

The classification of fair value is a figure that may vary over the life of a financial instrument. Consequently, it is necessary to verify on an ongoing basis the significance and observability of market data in order to proceed with any change in the level of fair value attributed to an instrument.

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

In the absence of an active market, fair value is determined using valuation techniques appropriate to the circumstances. Below is an illustration of the main valuation techniques adopted for each type of financial instrument, where an internal valuation model is used to determine fair value.

The internal valuation models are reviewed periodically to ensure their full and constant reliability and are updated to the most up-to-date techniques used on the market.

Unlisted bonds not contributed by info providers issued by Italian banks

The procedure for estimating the fair value of bonds is based on a discounted cash flow model.

The yield curve used in the discounting is constructed from liquid bonds, with the same seniority and currency of the instrument being valued, issued by companies belonging to the same sector and with a similar rating class.

As part of the fair value measurement of bonds issued by the issuer, the estimate of fair value takes into account changes in the issuer's creditworthiness. In particular, for securities issued by Affiliated Banks of the Cassa Centrale Banca Cooperative Banking Group or other cooperative credit banks, the rating class is determined on the basis of the rating assigned to the senior unsecured/senior preferred liabilities of the related Parent Company. Changes in the rating may also lead to changes in the fair value calculated according to the characteristics of the security and the discount curve used based on the level of seniority of the bond.

Given the predominant use of observable inputs, the fair value is classified at level 2, except in some cases where the fair value is set at level 3 since the inputs used are not observable due to the special characteristics of the issue (senior non-preferred or Tier 2 subordinate securities exchanged between companies of the bank group, for example).

Derivatives

The fair value of OTC derivatives, for which there is no price quoted on regulated markets, is determined using different quantitative models depending on the type of instrument. In detail, for non-optional instruments the valuation techniques adopted belong to the discount cash flow model category (e.g. interest rate swaps, FX swaps). For instruments of an optional rate nature, the Black model is used.

The models are supplied using market-observable inputs such as rate curves, exchange rates and volatility.

With regards to the determination of the fair value of OTC derivatives in balance sheet assets, IFRS 13 confirmed the rule of applying the credit valuation adjustment - CVA. With regard to financial liabilities represented by OTC derivatives, IFRS 13 introduces a debt valuation adjustment (DVA), i.e. a fair value adjustment to reflect its own default risk on such instruments.

The Group therefore considered it reasonable not to recognise a correction in the fair value of derivatives for CVA and DVA in the cases in which agreements had been made and remained operative for collateralisation of the positions in derivatives with the following characteristics:

- a bilateral exchange of guarantees with a high frequency (daily or at the most weekly);

- the type of guarantee provided in cash or highly liquid government securities with a high credit rating, subject to an appropriate spread;
- absence of a threshold of the fair value of the derivative under which an exchange of guarantees is not required or setting the level to such a threshold which is adequate to allow for effective and significant mitigation of the counterparty risk;
- MTA - minimum transfer amount (that is the difference between the fair value of the contract and the value of the guarantee) under which there is no adjustment of the collateralisation of the positions, identified contractually at a level that allows for essential mitigation of the counterparty risk.

Unlisted minority equity investments

The main valuation methods adopted by the Group, in accordance with the provisions of IFRS 13, in the valuation of unlisted minority equity investments are set out below:

- market methodologies (market approach): these are based on the idea of comparability with other market participants assuming that the value of an asset can be determined by comparing it to similar assets for which market prices are available. In particular, in practice, two reference sources of market prices are taken into account: stock market prices in active markets and observable information from merger transactions, acquisition or sale of share packages (direct transaction method, transaction multiples, market multiples);
- income approach: these are based on the assumption that future cash flows (e.g. cash flows or dividends) are convertible into a single (discounted) current value. In particular, the main methodologies that fall into this category include i) discounted cash flow (DCF); ii) dividend discount model (DDM); iii) appraisal value;
- adjusted net asset value or ANAV: this method is based on the principle of expressing, at current values, the individual elements of the assets (represented, essentially, by equity investments, whether controlling or not) and liabilities with the emergence also of any items not recorded in the financial statements. This method is normally used to determine the economic value of holding companies and investment companies whose value is closely related to the portfolio of equity investments held.

In accordance with the provisions of IFRS 13, the Group verifies, depending on the specific case, whether it is necessary to apply certain adjustments to the economic value resulting from the application of the aforementioned valuation methods to determine the fair value of the investment under analysis (e.g. liquidity discount, control premium, minority discount).

The choice of valuation approach is left to the judgement of the valuer as long as it favours, compatibly with the available information, methodologies that maximise the use of observable inputs on the market and minimise the use of non-observable inputs.

Lastly, it should be noted that the Group uses the net asset value or cost method (as a proxy for fair value) for minority interests below certain materiality thresholds for which no fair value measurement based on the aforementioned methods is available, based on specific parameters defined within the Fair Value Policy approved by the Board of Directors.

Unlisted mutual investment funds

Mutual investment funds such as unlisted real estate funds, private equity funds and alternative investment funds (hereinafter also referred to as 'AIFs') are characterised by a portfolio of assets generally valued with subjective inputs and provide for the redemption of the subscribed portion only at a certain maturity.

These funds are measured using the net asset value (NAV) corrected, where necessary, by a discount factor associated with a "liquidity premium" determined using an internal model.

For the above reasons, the net asset value (NAV) determined in this way and used as a fair value estimation technique is considered to be level 3.

Insurance investment products

The valuation of these assets provides for the discounting of expected future cash flows from the investment. In this regard, the estimate of cash flows is based on the use of risk-free financial scenarios in which a Monte-Carlo simulative approach is used for the projection of future returns from the separate holding. The input data of the functional model for the estimation of flows consist of:

- historical information on the performance of the separate holdings involved;
- risk-free rates;
- the average asset allocation of the Italian separate holdings taken from market data (source: ANIA) at the last available survey compared to the valuation date.

Cash flow projections are made using a financial-actuarial model that incorporates the data of the policyholder, the financial structure of the insurance investment product (minimum guaranteed rates, management fees), demographic assumptions and financial data in order to consider the value of the financial options included in the insurance investment product. These cash flows are finally discounted using the same risk-free curve specific to the individual scenario.

Loans and receivables

The fair value measurement of loans mainly takes place in cases where the relationship fails the SPPI test (as set forth in IFRS 9) or in cases of hedge accounting or application of the fair value option.

The valuation method consists of discounting the contractual cash flows net of the expected loss calculated in accordance with the provisions of the IFRS 9 model used to estimate value adjustments.

With reference to loans to customers and banks, recorded under financial assets measured at amortised cost, the fair value of which is provided for disclosure purposes, it should be noted that the fair value of short-term or revocable loans has been conventionally assumed to be equal to the carrying amount.

With regard to non-performing positions - except for situations in which, given the presence of objective elements deriving from valuations on portfolios and/or specific positions expressed by third parties, the values deriving from such valuations are used - the book value has been assumed as an approximation of fair value.

Unlisted Additional Tier 1 (AT1) subordinated bank securities issued by Affiliated Banks

The procedure for estimating the fair value of Additional Tier 1 securities is based on a discounted cash flow model. The yield curve used in discounting is constructed from liquid bonds, taking into account the seniority of the instrument, the sector and the rating class of the issuer. Taking into account the presence, within the model, of assumptions on the evolution of future cash flows, the fair value thus determined is classified at level 3.

A.4.2 Processes and sensitivities of the valuations

The Group generally carries out a sensitivity analysis of non-observable inputs, through a stress test on non-observable inputs that are significant for the evaluation of the different types of financial instruments belonging to level 3 of the fair value hierarchy.

On the basis of this analysis, potential changes in fair value are determined, by type of instrument, attributable to plausible changes in non-observable inputs. The sensitivity analysis was developed for the financial instruments for which the valuation techniques adopted made it possible to carry out this exercise.

That said, financial instruments under assets with a fair value level 3 represent a residual portion of approximately 3% of the total portfolio of financial designated at fair value. They consist mainly of unlisted minority equity investments, shares in mutual investment funds, and insurance investment products (typically life insurance policies).

With reference to insurance investment products, as highlighted above, these are valued on the basis of a calculation model that provides for the discounting of future cash flows expected from the same investment, taking into account financial, demographic and contractual assumptions.

For the above instruments, considering that the financial and demographic assumptions are derived from observable market data (e.g. Italian risk-free interest rate maturity structure with volatility adjustment, ISTAT mortality table, etc.), the sensitivity analysis was carried out with reference to the non-observable inputs underlying the contractual assumptions (relatively less relevant for valuation purposes).

In particular, the sensitivity analysis concerned the spread (obtained by weighting the historical yields of the reference separate holding) added to the Euro swap rate in order to determine the functional capitalisation rate to calculate, starting from the last insured capital communicated by the insurance companies, the insured capital at the valuation date. The above analysis was carried out on a sample of instruments of this type and showed little significant effects on the fair value of the insurance investments resulting from the change in the non-observable inputs under examination, also due to the aforementioned circumstance that the non-observable inputs underlying the contractual assumptions are in relative terms less relevant for valuation purposes.

With reference to the other fair value level 3 instruments, the sensitivity analysis is not produced because the effects deriving from the change in the non-observable inputs are considered not relevant.

A.4.3 Fair value hierarchy

For a description of the fair value hierarchy levels envisaged by the Group, please refer to paragraph "A.4 - Information on fair value".

With reference to assets and liabilities measured at fair value, classification at the correct level is carried out with reference to the rules and methods set out in internal regulations.

Any transfers to a different level of hierarchy are identified on a monthly basis. The transition from level 3 to level 2 occurs when the relevant parameters used as input to the valuation technique are, at the reference date, observable on the market. The transition from level 2 to level 1 takes place when the presence of an active market, as defined by IFRS 13, has been successfully verified. The transition from level 2 to level 3 occurs when, at the reference date, several of the significant parameters in determining fair value are not directly observable on the market.

A.4.4 Other information

The Group does not hold groups of financial assets and liabilities based on its net exposure to market risks or credit risk.

The Group, with reference to derivatives concluded with financial counterparties with which it stipulated framework netting agreements, availed itself of the possibility to measure the fair value at overall portfolio exposure level in order to take account of the offsetting of counterparty risk.

Information of a quantitative nature

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 levels

	31/12/2024			31/12/2023		
FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	52	12	178	83	10	201
a) financial assets held for trading	-	6	-	-	5	-
b) financial assets designated at fair value	-	-	-	-	-	1
c) other financial assets mandatorily measured at fair value	52	6	178	83	5	200
2. Financial assets measured at fair value through other comprehensive income	9,726	27	146	10,917	15	118
3. Hedging derivatives	-	70	-	-	84	-
4. Tangible assets	-	-	9	-	-	9
5. Intangible assets	-	-	-	-	-	-
Total	9,778	109	333	11,000	109	328
1. Financial liabilities held for trading	-	7	-	-	4	-
2. Financial liabilities designated at fair value	-	1	-	-	1	-
3. Hedging derivatives	-	15	-	-	4	-
Total	-	23	-	-	9	-

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

During the year, there were no significant transfers of assets and liabilities between level 1 and level 2 as defined by IFRS 13, para. 93 letter c).

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

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Tangible assets	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. OPENING BALANCES	201	-	1	200	118	-	9	-
2. INCREASES	35	-	-	35	37	-	1	-
2.1. Purchases	28	-	-	28	28	-	-	-
2.2. Profit attributed to:	7	-	-	7	8	-	1	-
2.2.1. Income Statement	7	-	-	7	-	-	1	-
- of which capital gains	4	-	-	4	-	-	1	-
2.2.2. Equity	-	X	X	X	8	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	1	-	-	-
3. DECREASES	58	-	1	57	9	-	1	-
3.1. Sales	-	-	-	-	2	-	-	-
3.2. Repayments	47	-	1	46	3	-	-	-
3.3. Losses attributed to:	9	-	-	9	1	-	1	-
3.3.1. Income Statement	9	-	-	9	-	-	1	-
- of which capital losses	7	-	-	7	-	-	1	-
3.3.2. Equity	-	X	X	X	1	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	2	-	-	2	3	-	-	-
4. CLOSING BALANCES	178	-	-	178	146	-	9	-

Item "2.1 Purchases", related to financial assets measured at fair value through other comprehensive income, includes the shares of Mediocredito Trentino Alto Adige S.p.A. obtained from the share swap of Casse Rurali Raiffeisen Finanziaria S.p.A in liquidation shares for approximately EUR 23 million.

Item "3.2 Repayments", relating to other financial assets mandatorily measured at fair value, includes life insurance policy repayments issued by insurance companies of about EUR 13 million. The remainder mainly refers to the closure of the position with the subsidiary Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidation following the conclusion of the liquidation procedure.

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

At the end of the reporting period, the Group does not hold any liabilities designated at fair value on a recurring basis classified to level 3.

A.4.5.4 Assets and liabilities which are not measured at fair value or which are measured at fair value on non-recurring basis: breakdown by fair value levels

ASSETS AND LIABILITIES WHICH ARE NOT MEASURED AT FAIR VALUE OR WHICH ARE MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	31/12/2024				31/12/2023			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	71,465	21,634	75	50,049	72,880	22,920	198	49,034
2. Tangible assets held for investment purposes	86	-	-	101	93	-	-	106
3. Non-current assets and groups of assets held for disposal	1	-	-	1	1	-	-	1
Total	71,552	21,634	75	50,151	72,974	22,920	198	49,141
1. Financial liabilities measured at amortised cost	74,578	542	493	73,557	79,218	544	429	78,262
2. Liabilities associated with assets held for disposal	-	-	-	-	-	-	-	-
Total	74,578	542	493	73,557	79,218	544	429	78,262

KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

A.5 – Information on day one profit/loss

The Group did not carry out any transactions for which, at the moment of first-time recognition of a financial instrument, a difference emerges between the purchase value and the value of the instrument obtained using internal valuation techniques.

PART B - Information on the consolidated balance sheet

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

	Total 31/12/2024	Total 31/12/2023
a) Cash	603	579
b) Current accounts and demand deposits at central banks	5	4
c) Current accounts and demand deposits at banks	103	151
Total	711	734

The sub-item “Current accounts and deposits on demand with central banks” refers to transactions with the Bank of Italy.

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

2.1 Financial assets held for trading: breakdown by category

ITEMS/VALUES	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
A. CASH ASSETS						
1. Debt securities	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equities	-	-	-	-	-	-
3. UCITS units	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repos	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-
B. DERIVATIVE INSTRUMENTS						
1. Financial derivatives	-	6	-	-	5	-
1.1 trading	-	6	-	-	5	-
1.2 connected to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 connected to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	-	6	-	-	5	-
Total (A+B)	-	6	-	-	5	-

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

This item includes derivative instruments classified in the trading book.

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

ITEMS/VALUES	Total 31/12/2024	Total 31/12/2023
A. CASH ASSETS		
1. Debt securities	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which: insurance companies	-	-
e) Non-financial corporations	-	-
2. Equities	-	-
a) Banks	-	-
b) Other financial corporations	-	-
of which: insurance companies	-	-
c) Non-financial corporations	-	-
d) Other issuers	-	-
3. UCITS units	-	-
4. Loans	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which: insurance companies	-	-
e) Non-financial corporations	-	-
f) Households	-	-
Total (A)	-	-
B. DERIVATIVE INSTRUMENTS		
a) Central counterparties	-	-
b) Other	6	5
Total (B)	6	5
Total (A+B)	6	5

2.3 Financial assets designated at fair value: breakdown by category

ITEMS/VALUES	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. DEBT SECURITIES	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. LOANS	-	-	-	-	-	1
2.1 Structured	-	-	-	-	-	-
2.2 Other	-	-	-	-	-	1
Total	-	-	-	-	-	1

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

2.4 Financial assets designated at fair value: breakdown by debtors/issuers

ITEMS/VALUES	Total 31/12/2024	Total 31/12/2023
1. DEBT SECURITIES	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which: insurance companies	-	-
e) Non-financial corporations	-	-
2. LOANS	-	1
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which: insurance companies	-	-
e) Non-financial corporations	-	-
f) Households	-	1
Total	-	1

2.5 Other financial assets mandatorily measured at fair value: breakdown by category

ITEMS/VALUES	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. DEBT SECURITIES	1	5	1	1	4	2
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	1	5	1	1	4	2
2. EQUITIES	18	1	-	18	1	-
3. UCITS UNITS	33	-	82	64	-	73
4. LOANS	-	-	95	-	-	125
4.1 Repos	-	-	-	-	-	-
4.2 Other	-	-	95	-	-	125
Total	52	6	178	83	5	200

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

The sub-item “1.2. Other debt securities” includes junior and mezzanine securities related to securitisation transactions for approximately EUR 1 million classified in fair value level 3.

Loans include approximately EUR 67 million in life insurance policies issued by insurance companies, linked to the return on a separate holding, and obligatorily measured at fair value following the failure of the SPPI test.

The item ‘UCITS units’ is composed of the following main categories of funds:

- bonds for approximately EUR 31 million, about EUR 19 million of which are classified at fair value level 3;
- stocks for approximately EUR 17 million;
- balanced for approximately EUR 4 million;
- real estate of approximately EUR 27 million classified at fair value level 3;
- NPL of approximately EUR 32 million classified at fair value level 3;
- private equity of approximately EUR 4 million classified at fair value level 3.

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

	Total 31/12/2024	Total 31/12/2023
1. EQUITY SECURITIES	19	19
of which: banks	4	3
of which: other financial corporations	1	1
of which: non-financial corporations	14	15
2. DEBT SECURITIES	7	7
a) Central Banks	-	-
b) General governments	-	-
c) Banks	5	4
d) Other financial corporations	2	3
of which: insurance companies	-	-
e) Non-financial corporations	-	-
3. UCITS UNITS	115	137
4. LOANS	95	125
a) Central Banks	-	-
b) General governments	7	6
c) Banks	-	-
d) Other financial corporations	79	109
of which: insurance companies	66	80
e) Non-financial corporations	6	8
f) Households	3	2
Total	236	288

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 category

ITEMS/VALUES	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. DEBT SECURITIES	9,716	26	-	10,909	14	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	9,716	26	-	10,909	14	-
2. EQUITIES	10	1	146	8	1	118
3. LOANS	-	-	-	-	-	-
Total	9,726	27	146	10,917	15	118

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

The item "2. Equities" Level 3 includes Bank of Italy shares held by a number of affiliated banks for a value of around EUR 24 million.

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

	Total 31/12/2024	Total 31/12/2023
1. DEBT SECURITIES	9,742	10,923
a) Central Banks	-	-
b) General governments	9,387	10,699
c) Banks	327	171
d) Other financial corporations	16	23
of which: insurance companies	-	-
e) Non-financial corporations	12	30
2. EQUITIES	157	127
a) Banks	67	41
b) Other issuers:	90	86
- other financial corporations	29	30
of which: insurance companies	9	7
- non-financial corporations	61	56
- other	-	-
3. LOANS	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which: insurance companies	-	-
e) Non-financial corporations	-	-
f) Households	-	-
Total	9,899	11,050

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

	Gross value					Writedowns				Total partial write-offs*
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Purchased or originated credit- impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	
Debt securities	9,744	2	-	-	-	2	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31/12/2024	9,744	2	-	-	-	2	-	-	-	-
Total 31/12/2023	10,924	2	1	-	-	2	-	-	-	-

*Value to be displayed for information purposes

The division by stage of risk of financial assets measured at fair value through other comprehensive income is applied in compliance with the provisions of the impairment model in application of IFRS 9.

For more detailed information, please refer to Part A – Accounting policies in paragraph “15.5 Methods of recognition of impairment losses” and Part E – Information on risks and related hedging policies.

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

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

TYPE OF TRANSACTIONS/ VALUES	Total 31/12/2024						Total 31/12/2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit- impaired	L1	L2	L3	Stage 1 and 2	Stage 3	Purchased or originated credit- impaired	L1	L2	L3
A. LOANS TO CENTRAL BANKS	637	-	-	-	-	637	573	-	-	-	-	573
1. Fixed-term deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserve	637	-	-	X	X	X	573	-	-	X	X	X
3. Repos	-	-	-	X	X	X	-	-	-	X	X	X
4. Others	-	-	-	X	X	X	-	-	-	X	X	X
B. LOANS TO BANKS	460	-	-	356	45	33	824	-	-	449	153	183
1. Loans	33	-	-	-	-	33	183	-	-	-	-	183
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Fixed-term deposits	14	-	-	X	X	X	10	-	-	X	X	X
1.3. Other loans:	19	-	-	X	X	X	173	-	-	X	X	X
- Repos receivables	-	-	-	X	X	X	-	-	-	X	X	X
- Financing for leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	19	-	-	X	X	X	173	-	-	X	X	X
2. Debt securities	427	-	-	356	45	-	641	-	-	449	153	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	427	-	-	356	45	-	641	-	-	449	153	-
Total	1,097	-	-	356	45	670	1,397	-	-	449	153	756

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

The decrease in the balance of item “2.2 Other debt securities” compared to the figure from the previous year is mainly attributable to the voluntary early repayment of the subordinated bond previously issued by Banca Carige and then returned, following the merger by incorporation in 2022, to the issuer BPER Banca. This bond, subscribed for a nominal value of EUR 100 million, was present in the financial statements at 31 December 2023.

4.2 Financial assets measured at amortised cost: breakdown by category of loans to customers

TYPE OF TRANSACTIONS/ VALUES	Total 31/12/2024						Total 31/12/2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
1. LOANS	48,223	341	12	-	-	49,231	47,516	325	10	-	-	48,103
1.1. Current accounts	3,653	34	-	X	X	X	3,726	27	-	X	X	X
1.2. Repos receivables	-	-	-	X	X	X	-	-	-	X	X	X
1.3. Mortgage loans	38,456	272	11	X	X	X	38,021	267	9	X	X	X
1.4. Credit cards, personal loans and salary-backed loans	1,253	6	-	X	X	X	1,185	5	-	X	X	X
1.5. Financing for leases	900	10	-	X	X	X	827	9	-	X	X	X
1.6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
1.7. Other loans	3,961	19	1	X	X	X	3,757	17	1	X	X	X
2. DEBT SECURITIES	21,792	-	-	21,278	30	148	23,632	-	-	22,471	45	175
1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2. Other debt securities	21,792	-	-	21,278	30	148	23,632	-	-	22,471	45	175
Total	70,015	341	12	21,278	30	49,379	71,148	325	10	22,471	45	48,278

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

Loans to customers are shown net of value adjustments from write-downs. Impaired assets include the impaired loans, unlikely to pay and past due exposures according to Bank of Italy Circular no. 272 of 30 July 2008 and subsequent updates. Details of these exposures, the amounts and the breakdown of the value adjustments, are shown in Part E of the Explanatory Notes - Credit quality. The fair value of short-term or revocable receivables was conventionally assumed to be equal to the book value.

For impaired positions, the fair value was deemed to be equal to the net book value, on the basis of the considerations set out in Part A, section A.4 - Information on fair value, to which reference is made.

The item "2.2. Other debt securities" includes senior securities relating to securitisation transactions for approximately EUR 120 million classified at fair value level 3.

Loans to customers include loans from third-party funds under administration with risk borne by the Group amounting to approximately EUR 326 million.

Performing exposures to customers consisted mainly of mortgage loans, which amounted to EUR 38,456 million and accounted for approximately 80% of total loans to customers, current accounts receivable of EUR 3,653 million and other loans of EUR 3,961 million.

4.3 Financial assets measured at amortised cost: breakdown by debtors/issuers of loans to customers

TYPE OF TRANSACTIONS/VALUES	Total 31/12/2024			Total 31/12/2023		
	Stage 1 and 2	Stage 3	Impaired assets acquired or originated	Stage 1 and 2	Stage 3	Impaired assets acquired or originated
1. DEBT SECURITIES	21,792	-	-	23,632	-	-
a) General governments	21,574	-	-	23,370	-	-
b) Other financial corporations	171	-	-	220	-	-
of which: insurance companies	-	-	-	1	-	-
c) Non-financial corporations	47	-	-	42	-	-
2. LOANS TO:	48,223	341	12	47,516	325	10
a) General governments	281	-	-	284	-	-
b) Other financial corporations	683	-	-	555	1	-
of which: insurance companies	103	-	-	65	-	-
c) Non-financial corporations	22,117	205	8	22,008	203	6
d) Households	25,142	136	4	24,669	121	4
Total	70,015	341	12	71,148	325	10

4.4 Financial assets measured at amortised cost: gross value and writedowns

	Gross value					Writedowns				Total partial write-offs*
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Debt securities	22,194	78	73	-	-	4	44	-	-	-
Loans	44,873	-	4,649	1,785	21	188	441	1,444	9	269
Total 31/12/2024	67,067	78	4,722	1,785	21	192	485	1,444	9	269
Total 31/12/2023	68,027	146	5,243	2,133	26	182	543	1,808	16	287

*Value to be displayed for information purposes

The division by stage of risk of financial assets measured at amortised cost is applied in compliance with the provisions of the impairment model in application of IFRS 9.

For more detailed information, please refer to Part A – Accounting policies in paragraph “15.5 Methods of recognition of impairment losses” and Part E – Information on risks and related hedging policies.

At 31 December 2024, existing loans that constitute new liquidity granted through public guarantee mechanisms issued in the context of COVID-19 amounted to a total of EUR 3,218 million and are broken down as follows:

	Gross value					Writedowns			
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired
Newly originated loans	2,821	-	372	171	-	12	25	109	-
Total 31/12/2024	2,821	-	372	171	-	12	25	109	-
Total 31/12/2023	3,882	-	585	193	-	15	44	132	-

Section 5 – Hedging derivatives – Item 50

This item features the derivative contracts designated as effective hedging instruments, which at the reference date show a positive fair value.

With regard to hedging transactions, the Group made use of the right to continue to apply the existing requirements of IAS 39 for accounting purposes as required by IFRS 9 until the IASB has completed its project to define the accounting rules for hedging financial instruments.

With regard to the objectives and strategies underlying hedging transactions, please refer to the information provided in Part E – Information on risks and related hedging policies, Section 3 – Derivatives and hedging policies.

5.1 Hedging derivatives: breakdown by type of coverage and levels

	Fair Value 31/12/2024			NV 31/12/2024	Fair Value 31/12/2023			NV 31/12/2023
	L1	L2	L3		L1	L2	L3	
A. FINANCIAL DERIVATIVES								
1. Fair Value	-	70	-	811	-	84	-	719
2. Cash flows	-	-	-	-	-	-	-	-
3. Foreign investments	-	-	-	-	-	-	-	-
B. CREDIT DERIVATIVES								
1. Fair Value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total	-	70	-	811	-	84	-	719

KEY:

NV = notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

5.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

TRANSACTIONS / TYPE OF HEDGE	Fair Value							Cash flows		
	Micro-hedge						Macro-hedge	Micro-hedge	Macro-hedge	Foreign Investments
	Debt securities and interest rates	Equities and stock market indices	Currencies and gold	Credit	Commodities	Others				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	2	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	68	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	2	-	-	-	-	-	68	-	-	-
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	-	-	-	-	-	-	-	-	-	-
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 6 – Fair value change of financial assets in hedged portfolios – Item 60

This item includes the balance of changes in the value of assets subject to macro interest rate risk hedging, for the application of which the Group avails itself of the possibility, provided by IFRS 9, to continue to apply IAS 39 in the carve-out version.

6.1 Value adjustment of hedged assets: breakdown by hedged portfolios

VALUE ADJUSTMENT OF HEDGED ASSETS/VALUES	Total 31/12/2024	Total 31/12/2023
1. POSITIVE FAIR VALUE CHANGE	11	3
1.1 of specific portfolios:	11	3
a) financial assets measured at amortised cost	11	3
b) financial assets measured at fair value through other comprehensive income	-	-
1.2 total	-	-
2. NEGATIVE FAIR VALUE CHANGE	(68)	(82)
2.1 of specific portfolios:	(60)	(71)
a) financial assets measured at amortised cost	(60)	(71)
b) financial assets measured at fair value through other comprehensive income	-	-
2.2 total	(8)	(11)
Total	(57)	(79)

Section 7 – Equity investments – Item 70

This section includes the equity investments in companies under joint control or subject to a significant influence (IAS 28 and IFRS 11), as well as subsidiaries consolidated at equity due to materiality limits.

At the end of the reporting period, the value of the equity investments amounted to EUR 54 million, relating:

- to “significant” equity investments totalling EUR 37 million (as represented in the following table 7.2);
- to insignificant equity investments totalling EUR 17 million (as represented, on the whole, in the following table 7.4).

The scope of ‘significant equity investments’ was determined by considering the materiality of the book value of the investment and the share of the investee’s assets with respect to the homogeneous balances relating to the current financial statements.

7.1 Equity investments: information on type of relationship

NAME	Registered office	Operating headquarters	Relationship type*	Investment relationship		% Votes available
				Investing company	% share	
A. JOINTLY CONTROLLED COMPANIES						
FRONTE PARCO IMMOBILIARE S.r.l.	Bologna	Bologna	7	BANCA DI BOLOGNA CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	50.00	50.00
FEDERAZIONE DELLE BCC DEL FRIULI VENEZIA GIULIA S.R.L	Udine	Udine	7	CREDITO COOPERATIVO - CASSA RURALE ED ARTIGIANA DEL FRIULI VENEZIA GIULIA - COOPERATIVE COMPANY	10.25	12.50
				BANCA 360 CREDITO COOPERATIVO FVG SOCIETÀ COOPERATIVA	24.26	12.50
				PRIMACASSA - CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	15.68	12.50
				ZKB CREDITO COOPERATIVO DI TRIESTE E GORIZIA SOCIETÀ COOPERATIVA	9.12	12.50
				TOTAL	59.31	50.00
B. COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE						
LE CUPOLE S.r.l.	Manerbio (BS)	Manerbio (BS)	4	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	22.00	22.00
FINANZIARIA TRENTINA DELLA COOPERAZIONE	Trento	Trento	4	BANCA PER IL TRENTINO ALTO ADIGE – BANK FÜR TRENTINO-SÜDTIROL – CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	8.49	8.49
				CASSA RURALE ALTO GARDA - ROVERETO BANCA DI CREDITO COOPERATIVO - COOPERATIVE COMPANY	7.22	7.22
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	7.18	7.18
				CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	4.08	4.08
				CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.78	3.78
				FPB CASSA DI FASSA PRIMIERO BELLUNO BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.27	3.27
				LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - SOCIETÀ COOPERATIVA	3.14	3.14
				CASSA RURALE VAL DI Fiemme - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.12	3.12
				CASSA RURALE VALSUGANA E TESINO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.88	2.88
				OTHER MINORITY INTERESTS	4.35	4.35
TOTAL				47.51	47.51	

NAME	Registered office	Operating headquarters	Relationship type*	Investment relationship		% Votes available
				Investing company	% share	
PARTECIPAZIONI COOPERATIVE S.r.l.	Trento	Trento	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	13.92	13.92
				BANCA PER IL TRENTINO ALTO ADIGE – BANK FÜR TRENTINO-SÜDTIROL – CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	7.89	7.89
				CASSA RURALE ALTO GARDA - ROVERETO BANCA DI CREDITO COOPERATIVO - COOPERATIVE COMPANY	5.80	5.80
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	5.10	5.10
				CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.18	4.18
				FPB CASSA DI FASSA PRIMIERO BELLUNO BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.32	2.32
				CASSA RURALE VALLAGARINA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.09	2.09
				OTHER MINORITY INTERESTS	6.49	6.49
				TOTAL	47.79	47.79
SERENA S.r.l.	Manzano (UD)	Manzano (UD)	4	BANCA 360 CREDITO COOPERATIVO FVG SOCIETÀ COOPERATIVA	29.05	29.05
RITTNERHORN SEILBAHNEN AG	Renon (BZ)	Renon (BZ)	4	CASSA RURALE RENON SOCIETÀ COOPERATIVA	23.97	23.97
SENIO ENERGIA S.r.l., IN LIQUIDATION	Faenza (RA)	Faenza (RA)	4	BANCA DI CREDITO COOPERATIVO DELLA ROMAGNA OCCIDENTALE - SOCIETÀ COOPERATIVA	22.22	22.22
RENDENA GOLF S.p.A.	Bocenago (TN)	Bocenago (TN)	4	LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - SOCIETÀ COOPERATIVA	26.67	22.03
SCOUTING S.p.A.	Bellaria - Igea Marina (RN)	Bellaria - Igea Marina (RN)	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	8.26	8.26
				ROMAGNABANCA CREDITO COOPERATIVO ROMAGNA EST E SALA DI CESENATICO S.C.	6.29	6.29
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	6.29	6.29
				BANCA PREALPI SANBIAGIO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.88	4.88
				BANCA MALATESTIANA - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.65	4.65
				TOTAL	30.37	30.37

NAME	Registered office	Operating headquarters	Relationship type*	Investment relationship		% Votes available
				Investing company	% share	
CABEL HOLDING S.p.A.	Empoli (FI)	Empoli (FI)	4	CASTAGNETO BANCA 1910 - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	19.50	19.50
				CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	7.66	7.66
				BANCA LAZIO NORD CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA PER AZIONI	2.01	2.01
				TOTAL	29.17	29.17
SERVIZI E FINANZA FVG S.r.l.	Udine	Udine	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	27.19	27.19
CONNESSIONI - IMPRESA SOCIALE S.r.l.	Brescia	Brescia	4	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	30.00	30.00
DISTRETTO RURALE TERRE BASILIANE DEL CILENTO S.c.a.r.l	Futani (SA)	Futani (SA)	4	BANCA DI CREDITO COOPERATIVO DI AQUARA SOCIETÀ COOPERATIVA	20.69	20.69

*Relationship type:

- 1 - majority of voting rights in the ordinary shareholders' meeting
- 2 - dominant influence in the ordinary shareholders' meeting
- 3 - agreements with other shareholders
- 4 - company subject to a significant influence
- 5 - unitary management pursuant to Article 26, paragraph 1, of "Legislative Decree no. 87/92"
- 6 - unitary management pursuant to Article 26, paragraph 2, of "Legislative Decree no. 87/92"
- 7 - joint ventures
- 8 - other type of relationship.

For the criteria and methods of determination of the consolidation scope and the reasons for which there is recourse to joint control or significant influence, please refer to Part A - Accounting policies of these Explanatory notes.

7.2 Significant equity investments: book value, fair value and dividends received

NAME	Book value	Fair value	Dividends received
A. JOINTLY CONTROLLED COMPANIES			
FEDERAZIONE DELLE BCC DEL FRIULI VENEZIA GIULIA S.r.l	4	-	-
B. COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE			
CABEL HOLDING S.p.A.	8	-	-
FINANZIARIA TRENTINA DELLA COOPERAZIONE S.p.	7	-	-
ASSICURA S.r.l.	7	-	-
CENTRALE SOLUZIONI IMMOBILIARI S.r.l. IN LIQUIDAZIONE	6	-	-
CASSA RURALE ALTA VALSUGANA SOLUZIONI IMMOBILIARI S.r.l.	5	-	-
Total	37	-	-

It should be noted that Assicura S.r.l., Centrale Soluzioni Immobiliari S.r.l. in Liquidation and Cassa Rurale Alta Valsugana Soluzioni Immobiliari S.r.l. are controlling equity interests consolidated at equity due to materiality limits.

7.3 Significant equity investments: accounting information

The table shows the data obtained from the last accounting position available.

NAME	Cash and cash equivalents	Financial assets	Non-financial assets	Financial liabilities	Non-financial liabilities	Total revenues	Net interest income	Value adjustments and write-backs on tangible and intangible assets	Profit (loss) before tax from current operating activities	Profit (loss) after tax from current operating activities	Profit (loss) after tax from discontinued operations	Profit (loss) for the year (1)	Other post-tax income components (2)	Comprehensive income (3) = (1) + (2)
A. JOINTLY CONTROLLED COMPANIES														
FEDERAZIONE DELLE BCC DEL FRIULI VENEZIA GIULIA S.r.l.	-	1	5	-	-	-	-	-	-	-	-	-	-	-
B. COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE														
CABEL HOLDING S.p.A.	X	13	27	1	-	2	X	X	-	-	-	-	-	-
FINANZIARIA TRENTINA DELLA COOPERAZIONE S.p.A.	X	11	-	-	-	1	X	X	1	1	-	1	-	1
ASSICURA S.r.l.	X	6	2	-	-	-	X	X	-	-	-	-	-	-
CENTRALE SOLUZIONI IMMOBILIARI S.r.l. IN LIQUIDAZIONE	X	-	6	2	1	-	X	X	-	-	-	-	-	-
CASSA RURALE ALTA VALSUGANA SOLUZIONI IMMOBILIARI S.r.l.	X	-	7	3	-	2	X	X	-	-	-	-	-	-

7.4 Non significant equity investments: accounting information

NAME	Book value of equity investments	Total assets	Total liabilities	Total revenues	Profit (loss) after tax from current operating activities	Profit (loss) after tax from operations	Profit (loss) for the year (1)	Other post-tax income components (2)	Comprehensive income (3) = (1) + (2)
A. JOINTLY CONTROLLED COMPANIES	-	28	28	-	(1)	-	(1)	-	(1)
B. COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE	17	56	23	11	(2)	-	(2)	-	(2)

The table shows accounting information cumulatively by type of investment relationship, with reference to companies with income statement and balance sheet aggregates not considered significant. 'Total liabilities' does not include Equity.

In the column 'Total revenues' the total amount of the income components with a positive sign is shown, gross of their tax effect.

The values are expressed with reference to the percentage held by the Group, as required by IFRS 12.

7.5 Equity investments: annual changes

	Total 31/12/2024	Total 31/12/2023
A. OPENING BALANCES	54	58
B. INCREASES	35	4
B.1 Purchases	-	-
B.2 Write-backs	-	-
B.3 Revaluations	1	3
B.4 Other changes	34	1
C. DECREASES	35	8
C.1 Sales	23	-
C.2 Value adjustments	8	3
C.3 Write-downs	4	5
C.4 Other changes	-	-
D. CLOSING BALANCES	54	54
E. TOTAL REVALUATIONS	7	8
F. TOTAL ADJUSTMENTS	10	13

The main changes in equity investments during the current year are summarised below:

- item “B.3 Revaluations” contains positive value adjustments for a value of approximately EUR 1 million;
- item “B.4 Other changes” contains the following main cases:
 - the increase in the value of the equity investment in Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidazione for EUR 15 million referring to the capital contribution disbursed in its favour;
 - the consolidation at equity due to materiality limits of the Centrale Soluzioni Immobiliari S.r.l. in liquidazione controlled equity investment, equal to approximately EUR 6 million, and the consolidation of the jointly controlled equity investment Federazione delle BCC del Friuli Venezia Giulia S.r.l. equal to approximately EUR 3 million;
 - the increase in the value of the equity investments due to capital contributions to hedge losses for approximately EUR 8 million, mainly referring to the equity investment in Fronte Parco Immobiliare S.r.l.;
- item “C.1 Sales”, amounting to approximately EUR 23 million, contains the share swap value of the shares of Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidation with the shares of Mediocredito Trentino Alto Adige S.p.A., an equity investment classified in the financial assets measured at fair value through comprehensive income;
- item “C.2 Value adjustments”, for around EUR 8 million, mainly contains the effects arising from the review of the value of the jointly controlled investment in Fronte Parco Immobiliare S.r.l. and the value of the subsidiary Fondo Leonida;
- item “C.3 Write-downs”, amounting to approximately EUR 4 million, includes the results of the valuation of minority equity investments using the equity method.

7.6 Significant valuations and assumptions to establish the existence of joint control or significant influence

For the criteria and methods of determination of the consolidation scope and the reasons for which there is recourse to joint control or significant influence, please refer to Part A – Accounting policies. (IFRS 12 para. 7, letters b) and c)).

7.7 Commitments referring to equity investments in subsidiaries under joint control

It should be noted that there are no commitments and contingent liabilities deemed significant.

7.8 Commitments referring to equity investments in companies subject to a significant influence

It should be noted that there are no commitments and contingent liabilities deemed significant.

7.9 Significant restrictions

There are no significant restrictions on the ability of joint ventures or associates to transfer funds to the entity in the form of dividends, loan repayments or advances made by the entity.

7.10 Other information

For most of the companies subject to joint control or significant influence, the timing of availability of the year-end financial statements is not compatible with the timing of the closing of the consolidated financial statements of the Cassa Centrale Group; in this regard, for the application of the equity method, reference is made to the latest available accounting reports, represented, in most cases, by the latest financial statements or half-yearly report available.

In any case, when the accounting records of the associate or joint venture used in applying the equity method refer to a date other than that of the consolidated financial statements, adjustments are made to take into account the effects of significant transactions or events that occurred between that date and the date of the Group's consolidated financial statements.

As required by IAS/IFRS, investments are subject to an impairment test to verify whether there is objective evidence that the carrying amount of the assets in question is not fully recoverable. For investments in associates and jointly controlled companies, the process for recognising any impairment involves checking for impairment indicators and the determination of any writedown.

At the end of the reporting period, there are no impairment losses that impact the book value, including goodwill, of equity investments in companies subject to joint control or significant influence, with the exception of the jointly controlled investment in Fronte Parco Immobiliare S.r.l. and the controlled equity investment in Fondo Leonida, with reference to which a value adjustment was carried out for around EUR 6 million and EUR 2 million respectively, to include the effects arising from the review of the value of the equity investment, as illustrated in "7.5 Equity investments: annual changes" in this part.

In general, for the aforementioned equity investments, the book value of the net investment is substantially in line with the corresponding portion of equity held.

Section 8 – Insurance assets – Item 80

The tables of this section do not contain information and therefore were not filled in.

Section 9 – Tangible assets – Item 90

9.1 Tangible assets for business use: breakdown of the assets measured at cost

ASSETS/VALUES	Total 31/12/2024	Total 31/12/2023
1. ASSETS OWNED	961	953
a) land	151	150
b) buildings	640	651
c) furniture	58	55
d) electronic systems	44	33
e) other	68	64
2. RIGHTS OF USE ACQUIRED THROUGH LEASE	170	139
a) land	3	3
b) buildings	159	127
c) furniture	-	-
d) electronic systems	1	5
e) other	7	4
Total	1,131	1,092
of which: obtained through the enforcement of guarantees received	5	6

For details of the rights of use acquired through lease, please refer to the information provided at the end of table “9.6 Tangible assets for business use: annual changes”. It should be noted that the increase in item “2 b) Buildings” mainly refers to the subscription of the lease contract by the Parent Company for the new offices in Milan and Rome.

9.2 Tangible assets held for investment purposes: breakdown of the assets measured at cost

ASSETS/VALUES	Total 31/12/2024				Total 31/12/2023			
	Book value	Fair value			Book value	Fair value		
		L1	L2	L3		L1	L2	L3
1. ASSETS OWNED	85	-	-	100	92	-	-	105
a) land	26	-	-	29	27	-	-	31
b) buildings	59	-	-	71	65	-	-	74
2. RIGHTS OF USE ACQUIRED THROUGH LEASE	1	-	-	1	1	-	-	1
a) land	-	-	-	-	-	-	-	-
b) buildings	1	-	-	1	1	-	-	1
Total	86	-	-	101	93	-	-	106
of which: obtained through the enforcement of guarantees received	25	-	-	30	29	-	-	34

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

9.3 Tangible assets for business use: breakdown of the revalued assets

At the reporting date of these financial statements, there are tangible assets for business use measured at fair value for a residual amount. Thus, the compilation of the envisaged table is omitted.

9.4 Tangible assets held for investment purposes: breakdown of the assets designated at fair value

ASSETS/VALUES	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. ASSETS OWNED	-	-	9	-	-	9
a) land	-	-	1	-	-	1
b) buildings	-	-	8	-	-	8
2. RIGHTS OF USE ACQUIRED THROUGH LEASE	-	-	-	-	-	-
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
Total	-	-	9	-	-	9
of which: obtained through the enforcement of guarantees received	-	-	-	-	-	-

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

9.5 Inventories of tangible assets disciplined by IAS 2: breakdown

ASSETS/VALUES	Total 31/12/2024	Total 31/12/2023
1. INVENTORIES OF ASSETS OBTAINED THROUGH THE ENFORCEMENT OF GUARANTEES RECEIVED	16	28
a) land	13	22
b) buildings	3	6
c) furniture	-	-
d) electronic systems	-	-
e) other	-	-
2. OTHER INVENTORIES OF TANGIBLE ASSETS	-	-
Total	16	28
of which: measured at fair value net of costs to sell	-	-

9.6 Tangible assets for business use: annual changes

	Land	Buildings	Furniture	Electronic systems	Other	Total 31/12/2024
A. GROSS OPENING BALANCES	154	1,056	97	132	164	1,603
A.1 Total net impairment	1	278	42	94	96	511
A.2 NET OPENING BALANCES	153	778	55	38	68	1,092
B. INCREASES:	2	91	14	31	36	174
B.1 Purchases	1	48	12	30	27	118
B.2 Expenditures for capitalised improvements	-	8	-	-	-	8
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive fair value changes charged to	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Transfers from properties held for investment purposes	-	1	X	X	X	1
B.7 Other changes	1	34	2	1	9	47
C. DECREASES:	1	70	11	24	29	135
C.1 Sales	-	3	1	1	4	9
C.2 Depreciation	-	56	10	20	23	109
C.3 Impairment losses charged to	-	2	-	-	-	2
a) equity	-	-	-	-	-	-
b) income statement	-	2	-	-	-	2
C.4 Negative fair value changes charged to	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfers to:	-	2	-	-	-	2
a) tangible assets held for investment purposes	-	1	X	X	X	1
b) non-current assets and groups of assets held for disposal	-	1	-	-	-	1
C.7 Other changes	1	7	-	3	2	13
D. NET CLOSING BALANCES	154	799	58	45	75	1,131
D.1 Total net impairment	1	336	52	114	119	622
D.2 GROSS CLOSING BALANCES	155	1,135	110	159	194	1,753
E. Valuation at cost	-	-	-	-	-	-

The increase in item “B.1 Purchases” compared to the previous financial year is mostly attributable to the subscription of the lease contract by the Parent Company for the properties in Milan and Rome.

The sub-item “E. Valuation at cost” is not measured since its compilation is only set for tangible assets for business use measured at fair value in the financial statements, and at 31 December 2024, this case represents negligible amounts.

Tangible fixed assets are depreciated, i.e. the depreciable value of the asset is charged to the income statement in portions reflecting its long-term use based on its estimated useful life.

With regard to the rights of use acquired through lease, the annual changes in this category are shown below:

	Branches	Cars	Land	Real estate for employees	Offices	Warehouses and other areas	Equipment	Others	Buildings	Total 31/12/2024
NET OPENING BALANCES	105	3	3	-	22	-	5	1	-	139
Increases	33	3	-	1	27	6	2	1	-	73
Decreases in historical cost	(19)	(2)	-	-	(5)	(1)	(3)	(2)	-	(32)
Decreases in the provision for depreciation	15	2	-	-	2	1	2	1	-	23
Depreciation/amortisation	(20)	(2)	-	-	(5)	(1)	(2)	(1)	-	(31)
Impairment	(1)	-	-	-	-	-	-	-	-	(1)
NET CLOSING BALANCES	113	4	3	1	41	5	4	-	-	171

The item "Equipment", amounting to EUR 4 million, mainly refers to ATMs and cash-in-cash-out machines.

The items related to increases and decreases include the rights of use relating to contracts signed during the year, terminated contracts and any contractual changes.

At the end of the reporting period, there were no leaseback transactions.

9.7 Tangible assets held for investment purposes: annual changes

	Total 31/12/2024	
	Land	Buildings
A. OPENING BALANCES	28	74
B. INCREASES	1	4
B.1 Purchases	-	-
B.2 Expenditures for capitalised improvements	-	-
B.3 Positive fair value changes	-	1
B.4 Write-backs	-	-
B.5 Positive exchange rate differences	-	-
B.6 Transfers from properties for business use	-	1
B.7 Other changes	1	2
C. DECREASES	2	10
C.1 Sales	1	3
C.2 Depreciation	-	2
C.3 Negative fair value changes	-	1
C.4 Impairment losses	1	-
C.5 Negative exchange rate differences	-	-
C.6 Transfers to:	-	1
a) properties for business use	-	1
b) non-current assets and groups of assets held for disposal	-	-
C.7 Other changes	-	3
D. CLOSING BALANCES	27	68
E. Valuation at fair value	29	72

Tangible assets for investment purposes are recorded in the financial statements at purchase or construction cost.

The item “E. Valuation at fair value” shows for information purposes the fair value of properties held for investment purposes measures at cost.

9.8 Inventories of tangible assets disciplined by IAS 2: annual changes

	Inventories of tangible assets obtained through the enforcement of guarantees received					Other inventories of tangible assets	Total 31/12/2024
	Land	Buildings	Furniture	Electronic systems	Other		
A. OPENING BALANCES	22	6	-	-	-	-	28
B. INCREASES	2	-	-	-	-	-	2
B.1 Purchases	-	-	-	-	-	-	-
B.2 Write-backs	-	-	-	-	-	-	-
B.3 Positive exchange rate differences	-	-	-	-	-	-	-
B.4 Other changes	2	-	-	-	-	-	2
C. DECREASES	11	3	-	-	-	-	14
C.1 Sales	1	-	-	-	-	-	1
C.2 Impairment losses	8	-	-	-	-	-	8
C.3 Negative exchange rate differences	-	-	-	-	-	-	-
C.4 Other changes	2	3	-	-	-	-	5
D. CLOSING BALANCES	13	3	-	-	-	-	16

9.9 Commitments for tangible asset purchases

As required by paragraph 74, letter c) of IAS 16, at the reporting date of these financial statements contractual commitments tangible asset acquisitions amounted to approximately EUR 24 million and related mainly to the restructuring of buildings for business use.

Section 10 – Intangible assets – Item 100

10.1 Intangible assets: breakdown by type of asset

ASSETS/VALUES	Total 31/12/2024		Total 31/12/2023	
	Definite useful life	Indefinite useful life	Definite useful life	Indefinite useful life
A.1 GOODWILL	X	27	X	27
A.1.1 pertaining to the Group	X	27	X	27
A.1.2. pertaining to minority interests	X	-	X	-
A.2 OTHER INTANGIBLE ASSETS	81	-	57	-
of which: software	75	-	50	-
A.2.1 Assets measured at cost:	81	-	57	-
a) Intangible assets generated internally	1	-	1	-
b) Other assets	80	-	56	-
A.2.2 Assets designated at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	81	27	57	27

In compliance with the relevant accounting regulations:

- all the intangible assets are measured at cost;
- no amortisation has been calculated for intangible assets with an indefinite useful life.

Disclosure on impairment test on goodwill

As provided for by IAS 36 Impairment of Assets, goodwill is subject to impairment testing at least once a year.

Consolidated goodwill, whose value before impairment testing was EUR 27 million, mainly relates to acquisitions of the company Nord Est Asset Management S.A. (hereinafter also “NEAM”) and the Assicura Group in previous years.

The procedures relating to the impairment test of goodwill include the following steps:

- identification of the cash generating units (hereinafter also ‘CGUs’);
- determination of the book value of the CGUs;
- determination of the recoverable amount of the CGUs, after identifying the most appropriate valuation models and parameters for determining the fair value (hereinafter also “FV”) and value in use of the CGUs;
- comparison between the book value and recoverable amount of the individual CGUs.

Sensitivity analyses were also carried out on the recoverable amount of the CGUs to changes in certain parameters relevant to the valuation.

Detailed information on the impairment test of consolidated goodwill as at 31 December 2024 is provided below.

Identification of Cash Generating Units (CGUs)

According to IAS 36, if, as in the case of goodwill, it is not possible to determine directly the recoverable amount of the specific asset recorded in the financial statements (because the asset itself does not produce autonomous cash flows), the recoverable amount of the cash generating unit (CGU) to which the asset belongs must be determined.

The CGU is defined by IAS 36 as “the smallest identifiable group of assets that generates cash inflows largely independent of cash inflows from other assets, or groups of assets”.

In order to identify the cash generating units to which to assign the assets to be tested for impairment, it is necessary that the identified CGUs generate cash inflows that are largely independent of those deriving from other identified units. In this sense, with a view to identifying the CGUs, the internal organisation and the management and control methods of the business are extremely important.

In relation to the above, the following CGUs have been identified for the purpose of impairment testing of the Cassa Centrale Group’s consolidated goodwill:

- **Asset management**, which includes the asset management services currently provided by the Luxembourg-based company NEAM;
- **Insurance**, which includes the offer of insurance services to customers and corresponds to the sum of the subsidiaries Assicura Agenzia S.r.l. and Assicura Broker S.r.l. (hereinafter also “Assicura”).

The table below shows the values of goodwill as at 31 December 2024, subject to impairment test, allocated to the two CGUs in question.

(Figures in millions of euro)

Cash Generating Unit (CGU)	Goodwill
- Asset management	21
- Insurance	5
Total	26

It should be noted that the goodwill item in the consolidated financial statements, amounting to EUR 27 million prior to the impairment test, includes residual goodwill of approximately EUR 1 million recorded in the separate financial statements of certain Affiliated Banks and mainly attributable to the merger by incorporation of other Affiliated Banks which took place before the launch of the Group and for which the impairment test in accordance with IAS 36, which did not give rise to value adjustments, was carried out independently by each of these Banks.

Determination of the book value of the CGUs

The book value of the two CGUs identified was determined by calculating their book value in the Consolidated Financial Statements as at 31 December 2024. The above book value, in substance, was determined considering the contribution to the consolidation of the CGUs in terms of equity, goodwill and intangible assets with an indefinite and definite useful life net of the related deferred tax liabilities.

The book values as at 31 December 2024 are shown below.

(Figures in millions of euro)

CGU	Book value in the consolidated financial statements
- Asset management	44
- Insurance	27

In relation to the table above, please note that:

- the consolidated book value of the Asset Management CGU includes goodwill for EUR 21 million (already related to 100%);
- the consolidated book value of the Insurance CGU includes, in addition to goodwill of EUR 5 million (already 100%), intangible assets with a definite useful life of EUR 1 million net of tax effect.

In relation to the above, it emerges that in addition to the consolidated goodwill, intangible assets with a finite useful life, as described above, have also been tested for recoverability. For further details, please refer to "Impairment testing of intangible assets with a definite useful life".

Determination of the recoverable amount of the CGUs

The book value of the identified CGUs was tested for impairment by comparing it with their recoverable amount. In accordance with IAS 36, para. 6, the recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value in use.

The Cassa Centrale Group has estimated the recoverable amount of the two CGUs using the value in use method. In this regard, the value in use of the Asset Management and Insurance CGUs was higher than their book value and therefore, in accordance with IAS 36 para. 19, no other amount would need to be estimated as fair value.

For further information, the methods used to determine the value in use of the various CGUs identified are described below, together with the relative balances that emerged.

Asset Management CGU: Analytical income method

According to the income method in the so-called levered version, the value of a company is derived from the income it is expected to be able to produce. In other words, the value attributable to the economic capital of the company (Equity Value) is assumed to be the series of current values of the company's future net income.

In the analytical approach, the income method takes as reference, in addition to the expected net income over the explicit forecast period, the expected normal net income for the definition of the Terminal Value.

In addition to the analytical income method, the "regression analysis" method, which estimates a fair value for the CGU (although this was not strictly necessary, according to paragraph 19 of IAS 36, as the value in use is already greater than the book value), was used as additional evidence and control. This method estimates the economic capital of the company being valued on the basis of the correlation between the prospective return on capital and the related premium or discount expressed by stock market prices compared to equity for a sample of comparable listed companies.

The main determinants (cash flows, discount rate, long-term growth rate and Terminal Value) for the estimate of value in use are commented on below:

■ Cash flows

The analytical income method was constructed from figures taken from the 2025 Budget and the Prospective Data approved by the Board of Directors of Cassa Centrale Banca on 23 January 2025 and 26 June 2024 respectively.

■ Discount rate (Ke)

The rate used to discount cash flows is the estimated "Ke" (Cost of Equity) of 10.6%.

The above rate was estimated using the Capital Asset Pricing Model (CAPM), according to which the return on a risky asset must be equal to the sum of the risk-free rate and a risk premium, depending on the specific riskiness of the asset according to the following formula: $Ke = R_f + \beta * ERP$.

In detail, the Cost of Equity (as mentioned, equal to 10.6%) was determined on the basis of the following parameters:

- risk-free (R_f) rate, equal to 3.5%, corresponding to the gross rate of return on 10-year Italian BTPs at 31 December 2024;
- beta coefficient (β), equal to 1.3, measures the risk of the specific undertaking in relation to the variability of its return against the market return and is estimated on the basis of a sample of comparable companies;
- equity risk premium (ERP), i.e. the additional return required by a risk-averse investor over the return on risk-free assets of 5.5%.

■ Long-term growth rate (g) and Terminal Value (TV).

The income method was developed on the basis of the adjusted net profit in order to exclude the profitability deriving from the asset management invested in NEAM by Cassa Centrale Banca and prudently excludes the profitability deriving from the assets managed on behalf of banks belonging to the ICCREA Banking Group. The normal net income expected for the definition of the Terminal Value also takes into account the considerations outlined above.

A growth rate (" g ") of 2.0% was applied to the normalised income thus determined, in line with the International Monetary Fund's long-term inflation estimate for Italy.

The Regression Analysis was set up by relating the P/AUM multiple to the RoAUM from a panel of comparable listed asset management companies and led to a higher value than the book value of the CGU.

Based on the analytical income method described above, this results in a recoverable amount for the Asset Management CGU of EUR 130.4 million, which fully supports the book value of the CGU in the consolidated financial statements of EUR 44.0 million. For further details, please refer to the paragraph "Comparison between the book value and recoverable amount of the CGU: results of the impairment test".

Insurance CGU: Analytical income method

According to the income method in the so-called levered version, the value of a company is derived from the income it is expected to be able to produce. In other words, the value attributable to the economic capital of the company (Equity Value) is assumed to be the series of current values of the company's future net income. In the analytical approach, the income method takes as reference, in addition to the expected net income over the explicit forecast period, the expected normal net income for the definition of the Terminal Value.

The main determinants (cash flows, discount rate, long-term growth rate and Terminal Value) for the estimate of value in use are commented on below:

■ Cash flows

The calculation of cash flows is based on the present value of the company's future net income and was constructed from figures taken from the 2025 Budget and the Prospective Data approved by the Board of Directors of Cassa Centrale Banca on 23 January 2025 and 26 June 2024 respectively.

■ Discount rate (K_e)

The rate used to discount cash flows is the estimated " K_e " (Cost of Equity) of 8.1%.

The above rate was estimated using the Capital Asset Pricing Model (CAPM), according to which the return on a risky asset must be equal to the sum of the risk-free rate and a risk premium, depending on the specific riskiness of the asset according to the following formula: $K_e = R_f + \beta * ERP$.

In detail, the Cost of Equity (as mentioned, equal to 8.1%) was determined on the basis of the following parameters:

- risk-free (R_f) rate, equal to 3.5%, corresponding to the gross rate of return on 10-year Italian BTPs at 31 December 2024;
- beta coefficient (β), equal to 0.8, measures the sensitivity of the company's share performance to changes in the market portfolio performance and is estimated on the basis of a sample of comparable companies;

- equity risk premium (ERP), i.e. the additional return required by a risk-averse investor over the return on risk-free assets of 5.5%, in line with valuation practice for the relevant market.

- Long-term growth rate (g) and Terminal Value (TV)

The normal net income expected for the definition of the Terminal Value has been identified on the basis of the net income realised by Assicura in the last year of the analytical forecast.

A long-term growth rate “g” of 2.0% was applied to the normalised income thus determined, in line with the International Monetary Fund’s long-term inflation estimate for Italy.

Based on the method described above, this results in a recoverable amount for the Insurance CGU of EUR 179.5 million, which fully supports the book value of the CGU in the consolidated financial statements of EUR 27.0 million. For further details, please refer to the paragraph “Comparison between the book value and recoverable amount of the CGU: results of the impairment test”.

Impairment testing of intangible assets with a definite useful life

Taking account of the provisions of IAS 36 and national and international practice, in 2024 a series of impairment indicators (called trigger events) applicable to the assets of the financial statements were identified and deemed significant. The indicators are related to:

- external sources, such as:
 - increase in interest rates with an impact on the discount rate and simultaneous reduction in the fair value and/or value in use of an asset;
 - significant increase in market volatility compared to the date of the last impairment test with simultaneous impact on the cost of equity capital and/or the feasibility of the business plan;
- as for internal sources, with reference to distribution agreements:
 - the income of the acquired distribution agreement is lower than what was envisaged during PPA;
 - the EBIT margin of the company to which the intangible is attributed is lower than what was assumed at the time of the PPA.

In order to best intercept and analyse the significance of changes in the impairment indicators, two different thresholds were introduced, the most significant being a strong trigger.

The need to perform the impairment test for a given asset arises during a strong trigger or when, for at least two indicators, the threshold considered less significant is exceeded.

The analysis of the aforementioned impairment indicators does not show the need to subject to impairment testing the intangibles with a finite useful life posted to the consolidated financial statements at 31 December 2024.

Comparison between the book value and recoverable amount of the CGU: results of the impairment test

Following the comparison between the book value and the recoverable amount (value in use) of the individual CGUs, the impairment test as at 31 December 2024 showed the following results:

(Figures in millions of euro)

CGU	Book value (a)	Recoverable amount (value in use) (b)	Difference (c)=(b)-(a)	Impairment pertaining to the Group (d)
Asset management	44.0	130.4	86.4	-
Insurance	27.0	179.5	152.5	-
Total				-

As shown in the table above, no impairment loss on goodwill was recognised in respect of the Asset Management and Insurance CGUs as their recoverable amount is higher than their book value at the consolidated financial statements reporting date.

Following the aforementioned checks, the goodwill recognised in the consolidated financial statements at 31 December 2024 amounts to a residual EUR 27 million, of which EUR 1 million present in the separate financial statements of certain affiliated banks. Note that the latter component, as explained previously, did not record any impairment during 2024.

Sensitivity analysis

Finally, sensitivity analyses were carried out on the value in use of the CGUs identified with respect to the market parameters used ("Ke" and "g"). The analyses carried out show a variation:

- in the recoverable amount of the Asset Management CGU as a result of changes in the parameters considered:
 - equal to EUR -3.7 million in correspondence with an increase in "Ke" of +25 bps;
 - equal to EUR +3.9 million in correspondence with a decrease in "Ke" of -25 bps;
 - equal to EUR +3.3 million in correspondence with an increase in "g" of +25 bps;
 - equal to EUR -3.1 million in correspondence with a decrease in "g" of -25 bps.
- in the recoverable amount of the Insurance CGU as a result of changes in the parameters considered:
 - equal to EUR -7.1 million in correspondence with an increase in "Ke" of +25 bps;
 - equal to EUR +7.7 million in correspondence with a decrease in "Ke" of -25 bps;
 - equal to EUR +6.9 million in correspondence with an increase in "g" of +25 bps;
 - equal to EUR -6.4 million in correspondence with a decrease in "g" of -25 bps.

Even in the worst-case scenarios estimated through the sensitivity analyses detailed above, it can therefore be deduced that the values in use would be higher than the book values of the CGUs in the consolidated financial statements, confirming the recoverable amount of the latter.

10.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: generated internally		Other intangible assets: other		Total 31/12/2024
		DEF	INDEF	DEF	INDEF	
A. OPENING BALANCES	28	1	-	150	-	179
A.1 Total net impairment	1	-	-	94	-	95
A.2 NET OPENING BALANCES	27	1	-	56	-	84
B. INCREASES	-	-	-	43	-	43
B.1 Purchases	-	-	-	43	-	43
B.2 Increase in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Positive fair value changes		-	-	-	-	-
- to equity	X	-	-	-	-	-
- to income statement	X	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. DECREASES	-	-	-	19	-	19
C.1 Sales	-	-	-	-	-	-
C.2 Value adjustments		-	-	19	-	19
- Depreciation/amortisation	X	-	-	19	-	19
- Write-downs	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Negative fair value changes:		-	-	-	-	-
- to equity	X	-	-	-	-	-
- to income statement	X	-	-	-	-	-
C.4 Transfers to non-current assets held for disposal	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. NET CLOSING BALANCES	27	1	-	80	-	108
D.1 Total net value adjustments	1	-	-	113	-	114
E. GROSS CLOSING BALANCES	28	1	-	193	-	222
F. Valuation at cost	-	-	-	-	-	-

KEY:

DEF = with definite useful life

INDEF = with indefinite useful life

The intangible assets described were entirely acquired externally and measured at cost.

The sub-item "F. Valuation at cost" is not measured since its compilation is only set for intangible assets measured at fair value in the financial statements.

10.3 Intangible assets: other information

Based on the requirements of IAS 38 sections 122 and 124, it should be noted that the amount of the contractual commitments for the purchase of intangible assets amounts to approximately EUR 1 million relating to the acquisition of software licences.

It should also be noted that the Group has not:

- provided intangible assets as guarantee for its debts;
- acquired significant intangible assets via operating or financial lease agreements;
- acquired intangible assets via government concession;
- recorded intangible assets revalued at fair value.

Section 11 – Tax assets and tax liabilities – Item 110 of assets and item 60 of liabilities

11.1 Deferred tax assets: breakdown

THROUGH THE INCOME STATEMENT	31/12/2024		
	IRES	IRAP	Total
Loans	138	20	158
Tangible fixed assets	14	1	15
Provisions for risks and charges	76	10	86
Tax losses	7	-	7
Administrative expenses	-	-	-
Other items	15	3	18
Total	250	34	284

THROUGH EQUITY	31/12/2024		
	IRES	IRAP	Total
Negative reserves for HTCS financial assets	19	4	23
Provision for severance indemnity	-	-	-
Other items	-	-	-
Total	19	4	23

The item “Loans” in the table above shows “Deferred Tax Assets” (or “DTA”) mainly relating to:

- write-downs and losses on loans to customers not yet deducted from taxable income pursuant to paragraph 3 of art.106 of the Consolidated Income Tax Act (TUIR) and art. 6, paragraph 1, letter c-bis) of IRAP Decree no. 446/1997 that may be converted into a tax credit, regardless of the future profitability of the company, both in the event of statutory loss and IRES tax loss or negative IRAP value of production pursuant to Law no.214 of 22 December 2011 (known as “Qualified DTAs”) of EUR 146 million. Art. 1, paragraphs 14-16 of Law no. 207 of 30 December 2024 restructures the multi-year plan for the recovery of value adjustments on loans not deducted until 31 December 2015. This plan is also associated with the review of the time frame for cancellation of the related deferred taxes. This new development will generate an effect from 2025 and, therefore, the 2024 annual financial statements are not affected by the change to the recovery plan;
- adjustments from the expected credit loss (ECL) model in IFRS 9 FTA on loans to customers that cannot be converted into a tax credit and can therefore only be recognised in the presence of probable and sufficient future taxable income of

EUR 12 million (Article 1, paragraphs 1067-1069, Law no. 145 of 30 December 2018). Advance taxes, where recognised, correspond to the future benefit relating to the deductibility in subsequent years of the reserve for first-time application of IFRS 9 relating to expected losses recognised on loans to customers. Art. 1, paragraph 17 of Law no. 207 of 30 December 2024 restructures the multi-year plan for the recovery of residual value adjustments on loans not deducted as at 31 December 2018. This new development will generate an effect from 2025 and, therefore, the 2024 annual financial statements are not affected by the change to the recovery plan.

The “other items” in the table above include deferred tax assets arising from misalignments between statutory and tax items arising from IFRS 3 business combinations for EUR 4 million.

It should be noted that, with specific reference to the aforementioned qualified DTAs on write-downs and losses on loans to customers, the maintenance of their convertibility into tax credits is subject to the payment of the fee, where due, pursuant to Law Decree no. 59 of 3 May 2016, amended and converted into law by Law no. 15 of 17 February 2017.

In addition, it should be noted that the tax regulations relating to the convertibility of advance taxes relating to adjustments to loans, goodwill and intangible assets into tax credits, in giving “certainty” to the recovery of qualified DTAs, affect the probability test provided for by IAS 12, making it automatically satisfied for this particular type.

Deferred tax assets as a contra-entry to equity refer to negative valuations of financial assets measured at fair value through other comprehensive income. These changes have a contra-entry in the valuation reserve for financial assets measured at fair value through other comprehensive income.

11.2 Deferred tax liabilities: breakdown

THROUGH THE INCOME STATEMENT	31/12/2024		
	IRES	IRAP	Total
Tangible fixed assets	2	-	2
Capital gains by instalments	-	-	-
Other items	6	-	6
Total	8	-	8

THROUGH EQUITY	31/12/2024		
	IRES	IRAP	Total
Positive reserves for HTCS financial assets	26	6	32
Other items	-	-	-
Total	26	6	32

Deferred tax liabilities as a contra-entry to the income statement mainly relate to:

- misalignments between statutory and tax items arising from the application of business combinations pursuant to IFRS 3 carried out in previous years;
- revaluations of tangible fixed assets made during the transition to international accounting standards.

Deferred taxes as a contra-entry to equity refer to revaluations of financial assets measured at fair value through other comprehensive income. These changes have a contra-entry in the valuation reserve for financial assets measured at fair value through other comprehensive income.

11.3 Changes in advance taxes (through the income statement)

	Total 31/12/2024	Total 31/12/2023
1. OPENING AMOUNT	420	517
2. INCREASES	33	51
2.1 Advance taxes recorded in the year	33	49
a) relating to previous years	-	-
b) due to changed accounting criteria	-	-
c) write-backs	-	-
d) other	33	49
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	2
3. DECREASES	169	148
3.1 Advance taxes cancelled in the year	141	141
a) reversals	141	141
b) write-downs for uncollectable amounts	-	-
c) changed accounting criteria	-	-
d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases:	28	7
a) conversion into tax credits under Law no. 214/2011	28	7
b) other	-	-
4. CLOSING AMOUNT	284	420

The deferred tax assets recognised in the income statement during the year, amounting to EUR 33 million, derive mainly from the recognition of the following deferred tax assets referring to:

- loans Law no. 214/2011;
- non-deductible provisions for risks and expenses.

The portion of deferred tax assets arising from tax losses carried forward to subsequent years amounts to EUR 7 million.

11.4 Changes in advance taxes according to Law no. 214/2011

	Total 31/12/2024	Total 31/12/2023
1. OPENING AMOUNT	271	376
2. INCREASES	22	27
3. DECREASES	147	132
3.1 Reversals	119	125
3.2 Transformation into tax credits	28	7
a) deriving from losses for the year	4	-
b) deriving from tax losses	24	7
3.3 Other decreases	-	-
4. CLOSING AMOUNT	146	271

Table 11.4 shows changes in deferred taxes recognised on value adjustments of receivables from customers and goodwill pursuant to Law no. 214/2011, including those relating to the conversion of tax losses/negative value of production due to the reversal pursuant to Law no. 214/2011 of write-downs of loan not deducted up to 2015.

The conversions referred to in points 3.2.a and 3.2.b were carried out in light of the provisions of Law Decree no. 225/2010, converted with amendments to Law no. 10/2011.

In particular, article 2, paragraphs 55 to 56 provides that, in the event of a loss for the year, the deferred tax assets recorded in the financial statements relating to value adjustments to loans and those relating to the value of goodwill and other intangible assets are converted into tax credits.

The transformation starts from the date of approval of the financial statements and takes place for an amount equal to the loss for the year multiplied by the ratio between the DTAs and equity before the loss for the year. As from the tax period of the conversion, the negative components corresponding to the DTAs converted into a tax credit are not deductible.

Article 2, section 56bis to 56bis1 of the Decree provides that, in the event of an IRES tax loss and/or a negative value of production for IRAP generated from value adjustments of receivables from customers and goodwill pursuant to Law no. 214/2011, the deferred tax assets recognised in the financial statements are converted into a tax credit. The transformation starts from the date of filing of the tax return in which the tax loss is recognised or from the date of filing of the IRAP return in which the negative net production value is realised, respectively.

11.5 Changes in advance taxes (through the income statement)

	Total 31/12/2024	Total 31/12/2023
1. OPENING AMOUNT	5	9
2. INCREASES	3	2
2.1 Deferred taxes recorded in the year	3	2
a) relating to previous years	-	-
b) due to changed accounting criteria	-	-
c) other	3	2
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. DECREASES	-	6
3.1 Deferred taxes cancelled in the year	-	6
a) reversals	-	6
b) due to changed accounting criteria	-	-
c) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
4. CLOSING AMOUNT	8	5

11.6 Changes in advance taxes (through Equity)

	Total 31/12/2024	Total 31/12/2023
1. OPENING AMOUNT	50	135
2. INCREASES	-	-
2.1 Advance taxes recorded in the year	-	-
a) relating to previous years	-	-
b) due to changed accounting criteria	-	-
c) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. DECREASES	27	85
3.1 Advance taxes cancelled in the year	27	85
a) reversals	27	85
b) write-downs for uncollectable amounts	-	-
c) due to changed accounting criteria	-	-
d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
4. CLOSING AMOUNT	23	50

Reversals of advance taxes for EUR 27 million refer mainly to adjustment of the valuation reserve of financial assets measured at fair value through other comprehensive income.

11.7 Changes in deferred taxes (through Equity)

	Total 31/12/2024	Total 31/12/2023
1. OPENING AMOUNT	20	7
2. INCREASES	12	14
2.1 Deferred taxes recorded in the year	12	13
a) relating to previous years	-	-
b) due to changed accounting criteria	-	-
c) other	12	13
2.2 New taxes or increases in tax rates	-	1
2.3 Other increases	-	-
3. DECREASES	-	1
3.1 Deferred taxes cancelled in the year	-	1
a) reversals	-	1
b) due to changed accounting criteria	-	-
c) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
4. CLOSING AMOUNT	32	20

Deferred taxes recorded in the year for EUR 12 million refer to revaluations of Financial assets measured at fair value through other comprehensive income. These changes have a contra-entry in the valuation reserve for financial assets measured at fair value through other comprehensive income.

11.8 Other information

BREAKDOWN OF CURRENT TAXES	IRES	IRAP	Other	Total 31/12/2024
Current tax liabilities	(32)	(65)	(5)	(102)
Advances paid/tax credits	72	59	3	134
Withholding taxes incurred	10	-	-	10
Other tax credits	-	3	-	3
Tax credits under Law no. 214/2011	31	1	7	39
Debt balance of item 60 a) of liabilities	(2)	(10)	(5)	(17)
Credit balance of item 110 a) of assets	83	8	10	101
Tax credits that cannot be offset: capital portion	11	1	-	12
Tax credits that cannot be offset: interest portion	1	-	-	1
Credit balance of item 110 a) of assets	95	9	10	114

Information on the deferred tax assets probability test

According to paragraph 5 of IAS 12, deferred tax assets are defined as the amount of income taxes for the year that may be recovered in future years with regard to the following scenarios:

- deductible temporary differences;
- carry-over of unused tax losses and ACE (aid for economic growth).

With particular reference to “temporary differences”, these are defined as differences that are formed transiently between the book value of assets (liabilities) and their tax value. These are defined as “deductible” when they generate amounts that can be deducted in determining future taxable income in connection with the realisation of assets (settlement of liabilities).

In the presence of a deductible temporary difference, paragraph 24 of IAS 12 provides for the recognition in the financial statements of a deferred tax asset – equal to the product of the deductible temporary difference and the expected tax rate in the year in which it will be paid – only if and to the extent that it is probable that there will be future taxable income against which the deductible temporary differences can be used (so-called probability test). In fact, the economic benefit of reducing future tax payments is only achievable if the taxable income is a large amount (IAS 12, para. 27).

Tax assets are measured at the tax rates that are expected to be applicable in the year in which they arise. They are periodically tested to determine the degree of recoverability and level of the applicable tax rates, as well as whether assets not recognised or derecognised due to lack of requirements in previous years should be reassessed.

In carrying out the Probability Test on deferred tax assets recognised in income statement to the financial statements, those deriving from deductible temporary differences were considered separately to those related to writedowns and losses on loans to customers (so-called “qualified deferred tax assets” – Law no. 214/2011) that may be converted into tax credits and amounting to EUR 146 million. Starting from the tax period ended 31 December 2011, deferred tax assets (IRES) recorded in the financial statements are converted into tax credits upon the realisation of operating losses, as well as upon the realisation of tax losses deriving from the deferred deduction of temporary differences relating to the aforementioned adjustments to the value of loans to customers (article 2, paragraph 56-bis of Decree Law no. 225 of 29 December 2010, introduced by art. 9 of Decree Law no. 201 of 6 December 2011). Starting from the 2013 tax year, a similar conversion is established, if the IRAP return shows a negative net value of production, related to the deferred tax assets (IRAP) referring to the aforementioned temporary differences that contributed to the determination of the negative net value of production (art. 2, paragraph 56-bis.1, Decree Law no. 225 of 29 December 2010, introduced by Law no. 147/2013). The convertibility of deferred tax assets on IRES tax losses and on the negative net value of production for IRAP purposes, determined by the aforementioned qualified temporary differences, is therefore a sufficient condition for recognising these deferred tax assets in the financial statements, implicitly making the relative Probability Test passed.

According to these assumptions, deferred tax assets other than the qualified ones were recognised, distinguished for IRES and IRAP purposes by type and foreseeable timing of recovery and, on the basis of forecasts of future profitability, the capacity to absorb them was checked.

Having said this, the Group has deferred tax assets (DTA) of EUR 307 million in its balance sheet, of which 284 million recognised as a contra-entry to the income statement. Of these, EUR 146 million fall within the scope of Law no. 214/2011 and, therefore, for that already described, are considered “qualified” DTA (and therefore of certain recoverability).

With regard to the remaining portion of DTAs that cannot be converted into tax credits recognised as a contra-entry to the income statement, amounting to EUR 138 million, there are no critical elements based on the evidence resulting from the probability test.

Section 12 – Non-current assets and groups of assets held for disposal and associated liabilities – Item 120 of assets and Item 70 of liabilities

12.1 Non-current assets and groups of assets held for disposal: breakdown by type of asset

	Total 31/12/2024	Total 31/12/2023
B. ASSETS HELD FOR SALE		
A.1 Financial assets	-	-
A.2 Equity investments	-	-
A.3 Tangible assets	1	1
of which: obtained through the enforcement of guarantees received	-	-
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total (A)	1	1
of which measured at cost	1	1
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-
B. DISCONTINUED OPERATIONS		
B.1 Financial assets measured at fair value through profit or loss	-	-
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	-	-
B.2 Financial assets measured at fair value through other comprehensive income	-	-
B.3 Financial assets measured at amortised cost	-	-
B.4 Equity investments	-	-
B.5 Tangible assets	-	-
of which: obtained through the enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total (B)	-	-
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-
C. LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE		
C.1 Payables	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total (C)	-	-
of which measured at cost	-	-
of which measured at fair value level 1	-	-
of which measured at fair value level 2	-	-
of which measured at fair value level 3	-	-
D. LIABILITIES ASSOCIATED WITH DISCONTINUED OPERATIONS		
D.1 Financial liabilities measured at amortised cost	-	-

	Total 31/12/2024	Total 31/12/2023
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities measured at fair value	-	-
D.4 Provisions	-	-
D.5 Other liabilities	-	-
Total (D)	-	-
<i>of which measured at cost</i>	-	-
<i>of which measured at fair value level 1</i>	-	-
<i>of which measured at fair value level 2</i>	-	-
<i>of which measured at fair value level 3</i>	-	-

12.2 Other information

At the end of the reporting period there is no significant additional information.

Section 13 – Other assets – Item 130

13.1 Other assets: breakdown

ITEMS	Total 31/12/2024	Total 31/12/2023
Tax receivables from tax authorities and other tax bodies	2,201	2,023
Cheques to be settled at the Clearing House or with Associates	4	6
Transit accounts - other	16	25
Accounts to be processed	213	209
Adjustments for illiquid items in the portfolio	4	38
Other debtors for security transactions	5	3
Customers and revenues to be collected	59	69
Prepayments and accrued income not capitalised	119	54
Improvement and enhancement expenses on non-separable third-party assets	36	31
Advances to suppliers	17	12
Intrinsic value of securities transactions and exchanges to be settled	-	-
Other lenders	207	200
Total	2,881	2,670

At the end of the reporting period, the Group did not present any significant amounts in relation to activities deriving from contracts with customers in accordance with IFRS 15, paragraph 116, letter a).

The item “Tax receivables from tax authorities and other tax bodies” as at 31 December 2024 includes tax credits, recorded pursuant to Law no. 77 of 17 July 2020 “Tax Bonus”, for a value of approximately EUR 1,861 million. A nominal amount of tax receivables equal to approximately EUR 409 million is attributed to the “Hold to Collect and Sell” business model, which better represents tax credits held for sale or, alternatively, for offsetting.

For more detailed information, see Part A – Accounting policies in paragraph “15.10 Transfer of the “Tax bonus” tax credit – Law no.77 of 17 July 2020” in these Explanatory Notes.

LIABILITIES

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

1.1 Financial liabilities measured at amortised cost: breakdown by category of due to banks

Type of transactions/Values	Total 31/12/2024				Total 31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. DUE TO CENTRAL BANKS	385	X	X	X	9,708	X	X	X
2. DUE TO BANKS	906	X	X	X	508	X	X	X
2.1 Current accounts and deposits on demand	245	X	X	X	342	X	X	X
2.2 Fixed-term deposits	39	X	X	X	32	X	X	X
2.3 Loans	609	X	X	X	123	X	X	X
2.3.1 Repos payables	609	X	X	X	120	X	X	X
2.3.2 Others	-	X	X	X	3	X	X	X
2.4 Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Payables for leases	10	X	X	X	10	X	X	X
2.6 Other payables	3	X	X	X	1	X	X	X
Total	1,291	-	-	1,291	10,216	-	-	10,216

KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

The fair value valuation of the financial liabilities measured at amortised cost, included only for the purpose of fulfilling reporting requirements, is broken down into levels pursuant to the requirements set forth in IFRS 13 and depending on the characteristics and significance of the inputs used in the valuation process. For more details, please refer to Part A - Accounting policies, A.4 - Information on fair value in the Explanatory Notes.

The item "1. DUE TO CENTRAL BANKS" mainly consists of funding transactions with the ECB, characterised by different maturities and with rates applied to the individual credit lines equal to those established by the ECB. A reduction in the item was outlined following the repayment of the final TLTRO-III transactions conducted by the European Central Bank. For more information on TLTRO-III loan transactions, please refer to Part A, Section 5 - Other Aspects of these Explanatory Notes.

The repos payables implemented against financial assets transferred but not derecognised are reported in Part E - Information on risks and related hedging policies, Section D - Disposal Transactions in the Explanatory Notes.

1.2 Financial liabilities measured at amortised cost: breakdown by category of due to customers

TYPE OF TRANSACTIONS/VALUES	Total 31/12/2024				Total 31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and deposits on demand	59,661	X	X	X	57,588	X	X	X
2. Fixed-term deposits	4,136	X	X	X	3,049	X	X	X
3. Loans	1,651	X	X	X	1,861	X	X	X
3.1 Repos payables	1,406	X	X	X	1,619	X	X	X
3.2 Other	245	X	X	X	242	X	X	X
4. Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5. Payables for leases	159	X	X	X	125	X	X	X
6. Other payables	702	X	X	X	676	X	X	X
Total	66,309	-	-	66,309	63,299	-	-	63,299

KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

The sub-item “3.1 Repo payables” refers mainly to transactions carried out by the Parent Company with Cassa Compensazione e Garanzia for approximately EUR 1,384 million.

The sub-item “6. Other payables” mainly includes debts for credit cards, cheques and third-party funds under administration of public bodies intended to disburse subsidised loans governed by specific regional legislation.

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

TYPE OF SECURITIES/VALUES	Total 31/12/2024				Total 31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. SECURITIES								
1. bonds	1,021	542	493	-	956	544	429	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	1,021	542	493	-	956	544	429	-
2. other securities	5,957	-	-	5,957	4,747	-	-	4,747
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	5,957	-	-	5,957	4,747	-	-	4,747
Total	6,978	542	493	5,957	5,703	544	429	4,747

KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

This item includes issued securities measured at amortised cost. Securities that at the end of the reporting period are expired but still not repaid are included. The portion of own issue debt securities not yet placed with third parties is excluded.

The fair value valuation of the debt securities in issue in the table above, presented solely for the purpose of fulfilling reporting requirements, is broken down into levels pursuant to the requirements set forth in IFRS 13 and depending on the characteristics and significance of the inputs used in the valuation process. For more details, please refer to Part A - Accounting policies, A.4 - Information on fair value in the Explanatory Notes.

The sub-item "A.1.2 Bonds - other" contains securities issued to comply with the minimum requirement of eligible liabilities (MREL), for a value at the end of the reporting period equal to around EUR 728 million. During the year the first senior preferred green bond was placed for EUR 100 million, issued by Cassa Centrale Banca and entirely subscribed by third-party counterparties. As described, the increase was partially offset by the reduction mainly attributable to fixed-rate bonds repaid at maturity.

Sub-item "A.2.2 Securities - other" mainly includes certificates of deposit, a type of funding that increased in a context characterised by the maturity of all TLTRO transactions and the beneficial effects of limited inflation.

1.4 Details of subordinated debts/securities

	31/12/2024	31/12/2023
a) Due to banks	-	-
b) Due to customers	-	-
c) Debt securities in issue	-	8
Total	-	8

A subordinated nature characterises the payables/securities whose right to reimbursement, in the event of liquidation of the issuing entity or if it is subject to other bankruptcy proceedings, can be exercised by the creditor only after other creditors who are not equally subordinated. Equity instruments which, according to international accounting standards, have equity characteristics, are excluded.

At the end of the reporting period, there are no subordinated relationships with third-party counterparties.

1.5 Details of structured debts

At the end of the reporting period there are no structured debts.

1.6 Payables for leases

	Branches	Cars	Land	Real estate for employees	Offices	Warehouses and other areas	Equipment	Others	Buildings	Total 31/12/2024
OPENING BALANCES	106	3	3	-	17	-	3	3	-	135
New contracts	34	3	-	1	35	3	2	1	-	79
Repayments	(25)	(2)	-	-	(5)	(1)	(2)	-	-	(35)
Other non-monetary movements*	1	-	(1)	-	-	3	1	(4)	-	-
Terminated contracts for modification/revaluation	(4)	-	-	-	(6)	-	-	-	-	(10)
CLOSING BALANCES	112	4	2	1	41	5	4	-	-	169

*includes increments for indexing

Distribution by residual duration of financial payables for leases

	Branches	Cars	Land	Real estate for employees	Offices	Warehouses and other areas	Equipment	Others	Buildings	Total 31/12/2024
Within 12 months	16	1	-	-	3	1	2	-	-	23
Between 1-5 years	57	3	1	1	15	2	2	-	-	81
Beyond 5 years	39	-	1	-	23	2	-	-	-	65
TOTAL LEASE LIABILITIES	112	4	2	1	41	5	4	-	-	169

Section 2 – Financial liabilities held for trading – Item 20

2.1 Financial liabilities held for trading: breakdown by category

TYPE OF TRANSACTIONS/VALUES	Total 31/12/2024					Total 31/12/2023				
	NV	Fair Value			Fair Value*	NV	Fair Value			Fair Value*
		L1	L2	L3			L1	L2	L3	
A. CASH LIABILITIES										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Others	-	-	-	-	X	-	-	-	-	X
Total (A)	-	-	-	-	-	-	-	-	-	-
B. DERIVATIVE INSTRUMENTS										
1. Financial derivatives	X	-	7	-	X	X	-	4	-	X
1.1 Trading	X	-	7	-	X	X	-	4	-	X
1.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	X	-	7	-	X	X	-	4	-	X
Total (A+B)	X	-	7	-	X	X	-	4	-	X

KEY:

NV = Nominal or notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

* Fair value = Fair value calculated excluding the changes in value due to change in creditworthiness of the issuer with respect to the date of issue.

2.2 Details of “Financial liabilities held for trading”: subordinated liabilities

As at the reporting date, there are no subordinated financial liabilities held for trading.

2.3 Details of “Financial liabilities held for trading”: structured debts

At the end of the reporting period, there are no financial liabilities held for trading related to structured debts.

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

3.1 Financial liabilities designated at fair value: breakdown by category

TYPE OF TRANSACTIONS/ VALUES	Total 31/12/2024					Total 31/12/2023				
	NV	Fair value			Fair value*	NV	Fair value			Fair value*
		L1	L2	L3			L1	L2	L3	
1. DUE TO BANKS	-	-	-	-	-	-	-	-	-	-
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	-	-	-	-	X	-	-	-	-	X
of which:					-					
- commitments to disburse funds	-	X	X	X	X	-	X	X	X	X
- financial guarantees given	-	X	X	X	X	-	X	X	X	X
2. DUE TO CUSTOMERS	-	-	-	-	-	-	-	-	-	-
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	-	-	-	-	X	-	-	-	-	X
of which:					-					
- commitments to disburse funds	-	X	X	X	X	-	X	X	X	X
- financial guarantees given	-	X	X	X	X	-	X	X	X	X
3. DEBT SECURITIES	1	-	1	-	1	1	-	1	-	1
3.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2 Other	1	-	1	-	X	1	-	1	-	X
Total	1	-	1	-	1	1	-	1	-	1

KEY:

NV = Nominal value

L1 = Level 1

L2 = Level 2

L3 = Level 3

* Fair value = Fair value calculated excluding the changes in value due to change in creditworthiness of the issuer with respect to the date of issue.

This item includes the financial liabilities for which the so-called fair value option has been exercised. In this regard, it should be noted that the aforementioned Fair Value Option was exercised mainly in relation to debt instruments containing an implicit derivative for which it was considered that the fair value measurement of the entire instrument was less costly than the separate measurement and presentation in the financial statements of the main instrument and derivative.

The illustration of the criteria to determine the fair value is reported in Part A – Accounting policies.

3.2 Details of 'Financial liabilities measured at fair value': subordinated liabilities

At the end of the reporting period, there are no subordinated liabilities measured at fair value.

Section 4 – Hedging derivatives – Item 40

This item features the derivative contracts designated as effective hedging instruments, which at the end of the reporting period have a negative fair value.

With regard to hedging transactions, the Group made use of the right to continue to apply the existing requirements of IAS 39 for accounting purposes as required by IFRS 9 until the IASB has completed its project to define the accounting rules for hedging financial instruments.

With regard to the objectives and strategies underlying hedging transactions, please refer to the information provided in Part E – Information on risks and related hedging policies, Section 3 – Derivatives and hedging policies.

4.1 Hedging derivatives: breakdown by type of coverage and hierarchy levels

	Fair Value 31/12/2024			NV 31/12/2024	Fair Value 31/12/2023			NV 31/12/2023
	L1	L2	L3		L1	L2	L3	
A. FINANCIAL DERIVATIVES	-	15	-	571	-	4	-	80
1) Fair value	-	15	-	571	-	4	-	80
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. CREDIT DERIVATIVES	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	15	-	571	-	4	-	80

KEY:

NV = Notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

TRANSACTIONS / TYPE OF HEDGE	Fair Value							Cash flows		Foreign Investments
	Micro-hedge						Macro-hedge	Micro-hedge	Macro-hedge	
	Debt securities and interest rates	Equities and stock market indices	Currencies and gold	Credit	Commodities	Others				
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortised cost	15	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	15	-	-	-	-	-	-	-	-	-
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	-	-	-	-	-	-	-	-	-	-
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Exposure to derivatives mainly refers to interest rate risk hedges.

Section 5 – Adjustment of the financial liabilities subject to macro-hedging – Item 50

5.1 Value adjustment of hedged financial liabilities

At the end of the reporting period, there are no financial liabilities subject to macro-hedging.

Section 6 – Tax liabilities – Item 60

For information on tax liabilities reference is made to Section 11 of the Assets.

Section 7 – Liabilities associated to assets held for disposal – Item 70

For information on liabilities associated with assets held for disposal, reference is made to Section 12 of the Assets.

Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

ITEMS	Total 31/12/2024	Total 31/12/2023
Tax payables to tax authorities and other tax bodies for indirect taxes	460	362
Temporary items Centralised Treasury management	1	2
Wire transfers to be settled	2	5
Housing contributions - General Governments	6	3
Due to suppliers and expenses to be settled	241	189
Collection on behalf of third parties and amounts available to customers or third parties	133	122
Payables for guarantees given and commitments	-	-
Due to employees	149	99
Due to social security institutions and external pension funds	47	57
Other accounts to be processed	362	517
Accrued expenses and deferred income not attributable to own items	58	26
Intrinsic value of securities transactions and exchanges to be settled	-	-
Payables to Depositors' Guarantee Fund	-	-
Balance of illiquid items in the portfolio	702	67
Debit transit accounts	1	1
Advances received from third parties for property disposals to be completed	-	1
Payables for educational, cultural, charitable and social purposes	-	-
Sundry creditors - other	350	110
Total	2,512	1,561

At the end of the reporting period, the Group did not present any significant amounts in relation to liabilities arising from contracts with customers in accordance with IFRS 15, paragraphs 116, letter a), 118, 120 and 128.

Section 9 – Provision for severance indemnity – Item 90

9.1 Provision for severance indemnity: annual changes

	Total 31/12/2024	Total 31/12/2023
A. OPENING BALANCES	90	95
B. INCREASES	3	5
B.1 Allocation for the year	3	4
B.2 Other changes	-	1
C. DECREASES	13	10
C.1 Payments made	10	8
C.2 Other changes	3	2
D. CLOSING BALANCES	80	90
Total	80	90

At the end of the reporting period, the Group recognised the provision for severance indemnity in accordance with IAS 19 Employee benefits. Therefore, the item “D. Closing balances” of the provision recorded coincides with its actuarial value (Defined Benefit Obligation – DBO).

The amount of the “Interest Cost” is included in the income statement in table “10.1 Personnel costs”.

The actuarial loss was recognised in the “Valuation reserves” in accordance with IAS 19.

Finally, it should be noted that under Law no. 296 of 27 December 2006 (the 2007 Finance Act), companies with at least 50 employees pay on a mandatory monthly basis, in accordance with the choice made by the employee, the severance pay accrued after 1 January 2007, to the supplementary post-employment benefits referred to in Law Decree no. 252/2005 or to a special fund for the payment to private sector employees of severance pay pursuant to art. 2120 of the Italian Civil Code (hereinafter the Treasury Fund) set up at INPS.

9.2 Provision for severance indemnity: other information

ITEMS	Total 31/12/2024	Total 31/12/2023
CHANGES IN THE YEAR	(8)	(6)
- Service cost related to current employment benefits	1	1
- Interest expense on the defined benefit obligation	3	3
- Profits and losses from reductions or settlements	(1)	-
- Service cost related to past employment benefits	-	-
- Transfers	(2)	(2)
- Decreases	(9)	(8)
ACTUARIAL (PROFITS) LOSSES RECOGNISED IN VALUATION RESERVES (OCI)	(2)	1
Description of the main assumptions		
- Discount rate	3.38%	3.17%
- Expected inflation rate	1.80%	2.00%

Description of the main actuarial assumptions for the valuation of severance indemnity

The amounts relating to the provision for severance indemnity liability are based on a special actuarial appraisal commissioned from an external actuary.

The actuarial model used as a reference for the valuation of the severance indemnity ("Projected Unit Credit Method") is based on various demographic and economic assumptions. For some of the assumptions used, where possible, explicit reference has been made to direct experience, for the others, best practice has been taken into account.

In particular, it should be noted how:

- the annual discount rate used to determine the current value of the bond was deducted, in accordance with the provisions of para. 83 of IAS 19, with reference to the IBoxx Eurozone Corporate AA index with duration 10+ recognised at the measurement date. To this end, the performance with a duration comparable to the duration of the workers' collective agreement subject to valuation was chosen;
- the annual rate of increase of the severance indemnity as provided for by Article 2120 of the Italian Civil Code is 75% of inflation plus 1.5 percentage points;
- the annual rate of salary increase has been determined on the basis of the amounts recorded by Group companies.

As a consequence of the above, the economic technical bases used are shown below:

- annual discount rate: 3.38%;
- annual rate of increase in provision for severance indemnity: 2.85%;
- annual inflation rate: 1.80%.

With reference to the demographic technical bases used, the relevant references are provided below:

- death: RG48 mortality tables published by the State General Accounting Office;
- disability: INPS tables separated by age and gender;
- retirement: 100% upon meeting the AGO requirements as per Law Decree no. 4/2019.

Section 10 – Provisions for risks and charges – Item 100

10.1 Provisions for risks and charges: breakdown

ITEMS/COMPONENTS	Total 31/12/2024	Total 31/12/2023
1. Provision for credit risk relative to commitments and financial guarantees given	119	147
2. Provision for other commitments and guarantees given	-	-
3. Post-employment benefits	-	-
4. Other provisions for risks and charges	288	285
4.1 Legal and tax disputes	34	39
4.2 Personnel expenses	142	147
4.3 other	112	99
Total	407	432

Item “Provision for credit risk relative to commitments and financial guarantees given” includes the value of the total allocations for credit risk in respect of the commitments to disburse funds and financial guarantees given which are subject to the impairment rules of IFRS 9 (paragraph 2.1, letter e); paragraph 5.5; appendix A), including therein the financial guarantees given and the commitments to disburse funds which are measured at the first-time recognition value, net of the total revenues booked in compliance with IFRS 15 (see IFRS 9, paragraph 4.2.1, letters c) and d)).

For details concerning the item “4. Other provisions for risks and charges”, please refer to table “10.6 Provisions for risks and charges - other provisions”.

10.2 Provisions for risks and expenses: annual changes

	Provision for other commitments and guarantees given	Post-employment benefits	Other provisions for risks and charges	Total
A. OPENING BALANCES	-	-	285	285
B. INCREASES	-	-	192	192
B.1 Allocation for the year	-	-	169	169
B.2 Changes due to the passing of time	-	-	-	-
B.3 Changes due to modifications in the discount rate	-	-	-	-
B.4 Other changes	-	-	23	23
C. DECREASES	-	-	189	189
C.1 Use for the year	-	-	153	153
C.2 Changes due to modifications in the discount rate	-	-	-	-
C.3 Other changes	-	-	36	36
D. CLOSING BALANCES	-	-	288	288

The table above shows the annual changes in the provisions for risks and expenses with the exception of those in the item “provision for credit risk relative to commitments and financial guarantees given”, which are shown in Table A.1.4 of Part E.

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

	Provision for credit risk relative to commitments and financial guarantees given				Total
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	
Commitments to disburse funds	41	32	12	-	85
Financial guarantees given	4	4	26	-	34
Total	45	36	38	-	119

As shown above, this table includes the value of the total allocations for credit risk in respect of the commitments to disburse funds and financial guarantees given which are subject to the impairment rules of IFRS 9, including therein the financial guarantees given and the commitments to disburse funds which are measured at the first-time recognition value, net of the total revenues booked in compliance with IFRS 15.

The breakdown of these provisions by risk stage is applied in accordance with the provisions of the IFRS 9 impairment model. For more detailed information, see Part A - Accounting policies, paragraph "15.5 Methods of recognition of impairment losses" and Part E - Information on risks and related hedging policies.

10.4 Provision for other commitments and guarantees given

The Cassa Centrale Group has no provision for other commitments and guarantees given.

10.5 Defined benefit post-employment funds

The Cassa Centrale Group does not have defined benefit pension funds.

10.6 Provisions for risks and expenses - other provisions

ITEMS	Total 31/12/2024	Total 31/12/2023
OTHER PROVISIONS FOR RISKS AND CHARGES		
1. Provision for risks on revocatory actions	3	1
2. Provision for charity	78	51
3. Personnel risks and charges	142	147
4. Legal and tax disputes	31	38
5. Other provisions for risks and charges	34	48
Total	288	285

Other provisions are divided into:

- legal and tax disputes: the provision is essentially set up to deal with expected outlays on lawsuits, bankruptcy revocations and tax disputes, in accordance with IAS 37;
- personnel expenses: the provision includes charges for employee seniority bonuses, determined on the basis of actuarial valuations, provisions for bonuses and others.

Development of significant legal disputes

Parent Company

On 16 January 2020, the financial holding company Malacalza Investimenti S.r.l. (hereinafter also “Malacalza Investimenti”) brought a civil action against Carige, FITD, SVI and Cassa Centrale Banca, contesting the validity of the resolution to increase the share capital by EUR 700 million approved by the Shareholders of Banca Carige in the Shareholders’ Meeting of 20 September 2019 and submitting a claim for damages of over EUR 480 million (subsequently increased to approximately EUR 539 million), on account of the alleged hyperdilutive nature of the resolution (reducing Malacalza Investimenti’s shareholding from 27.555% to 2.016%).

The contested invalidity of the shareholders’ meeting resolution (which can no longer be annulled as it has already been executed, with the subscription by Cassa Centrale Banca of the capital increase and the acquisition of an 8.34% shareholding) was based on the allegedly unlawful exclusion of the option right, failure to comply with the principle of accounting parity and the determination of the issue price of the new shares in breach of the criteria laid down by company law.

The same defendants, including Cassa Centrale Banca, were then sued in two further disputes by the shareholder Vittorio Malacalza and 42 other shareholders of Carige, with a claim for a further approximate total of EUR 11.4 million, plus revaluation and interest (subsequently reduced to approximately EUR 11.1 million), based on assumptions and arguments coinciding with those put forward by Malacalza Investimenti.

The three lawsuits, which were joined in a single proceeding, were settled with a judgement published on 26 November 2021.

The Court of Genoa rejected the claims for damages brought by Malacalza Investimenti S.r.l., Vittorio Malacalza and the other 42 shareholders and determined the validity of the resolution because (i) there was no violation of the principle of accounting parity, (ii) the exclusion of the shareholders’ option right took place in the presence of a significant corporate interest, and (iii) the issue price of the new shares was determined in accordance with the criteria set out in the company’s regulations.

The losing parties were ordered to pay the legal costs in favour of the defendants.

Malacalza Investimenti S.r.l., Malacalza Vittorio and only 5 small shareholders out of the initial 42 appealed against the judgement (with a reduction of the claims for damages, as regards the latter, from approximately EUR 8.4 million to EUR 84 thousand).

Cassa Centrale Banca appeared in the three lawsuits pending before the Court of Appeal, which were subsequently combined. The proceeding is in its final stage.

As a result of the assessments carried out with the support of solicitors and considering the risk of losing the case, Cassa Centrale Banca decided not to make provisions for risks and expenses in line with IAS 37 international accounting standard.

Affiliated Banks

On 9 April 2024, Sicilbanca – Credito Cooperativo Italiano was issued, by representatives of a certain customer whose loan was classified as non-performing, a deed initiating proceedings before the Court of Catania aimed at claiming damages, for a significant amount, deriving from alleged unlawful conduct of the Bank on the basis that it had been involved in banking relationships with the same customer in the past. Have consulted the Parent Company, the bank promptly appointed a leading legal firm for its technical defence in court, rejecting the claims of the claimant on procedural and substantive grounds.

The first hearing took place on 4 November 2024. After having heard the parties, the examining magistrate retired to make his deliberations.

On 24 February 2025, the investigating magistrate, having communicated his considerations and provisions, postponed the hearing to 15 September 2025.

Currently, having evaluated the contents of the written defences submitted by the parties, and having considered the decisions of the Magistrate on the preliminary motions, which defined the documentary boundary and established the requirement for a

court-appointed expert witness, considering the estimates and assessments of the Legal Firm appointed, the Board of Directors of the Bank considers that there is a plausible risk of losing the case.

As a result of the assessments carried out with the support of solicitors and considering the risk of losing the case, Cassa Centrale Banca decided not to make provisions for risks and expenses in line with IAS 37 international accounting standard.

Section 11 – Insurance liabilities – Item 110

The section does not contain information and therefore was not filled in.

Section 12 – Repayable shares – Item 130

12.1 Repayable shares: breakdown

The Group does not present any such cases.

Section 13 - Group equity - Items 120, 130, 140, 150, 160, 170 and 180

13.1 “Capital” and “Own shares”: breakdown

As described in Part A – Accounting Policies, Section 3 – Scope and methods of consolidation, in application of Law no. 145 of 30 December 2018 (so-called Budget Law 2019) the Parent Company Cassa Centrale Banca and the Affiliated Banks under the Cohesion Contract constitute a single consolidating entity.

In the composition of the Group’s equity, the share capital is consequently made up of the Parent Company’s share capital and the share capital of the Affiliated Banks.

The share capital of the Parent Company, equal to EUR 952,031,808, comprises 18,158,304 ordinary shares and 150,000 preference shares, both with a nominal value of EUR 52.

At the end of the reporting period, the capital of the Affiliated Banks belonging to the Cassa Centrale Group amounted to approximately EUR 320 million. The share capital of the Affiliated Banks is, according to their Articles of Association, variable, and consists of shares that can be issued, in principle, without limit.

As at 31 December 2024, the own shares in circulation amounted to approximately EUR 868 million and are mainly attributable to the shares of Cassa Centrale Banca held by the Affiliated Banks belonging to the Group.

13.2 Capital – Number of Parent Company shares: annual changes

ITEMS/TYPES	Ordinary	Preference
A. SHARES AT START OF YEAR	18,158,304	150,000
- fully paid-up	18,158,304	150,000
- not fully paid-up	-	-
A.1 Own shares (-)	-	-
A.2 Outstanding shares: opening balances	18,158,304	150,000
B. INCREASES	-	-
B.1 New issues	-	-
- paid:	-	-
- business combinations	-	-
- bond conversions	-	-
- exercise of warrants	-	-
- other	-	-
- free of charge:	-	-
- in favour of employees	-	-
- in favour of directors	-	-
- other	-	-
B.2 Sale of own shares	-	-
B.3 Other changes	-	-
C. DECREASES	-	-
C.1 Cancellation	-	-
C.2 Purchase of own shares	-	-
C.3 Company transfers	-	-
C.4 Other changes	-	-
D. SHARES OUTSTANDING: CLOSING BALANCES	18,158,304	150,000
D.1 Own shares (+)	-	-
D.2 Shares at year-end	18,158,304	150,000
- fully paid-up	18,158,304	150,000
- not fully paid-up	-	-

13.3 Capital: other information

For information on capital, please refer to 13.1 “Capital” and “Own shares”: breakdown.

13.4 Profit reserves: other information

Group reserves amount to EUR 7,663 million and include the legal reserve (inclusive of any portions relating to the tax realignment pursuant to Art. 110 of Law Decree no. 104/2020), the statutory reserve, the FTA reserves and other reserves.

The profit reserves also include “Excess profits pursuant to art. 26, paragraph 5-bis of Decree Law no. 104/2023”, which refers to the amount allocated during approval of the allocation of the profit for the year at 31 December 2023, in accordance with the provision of the aforesaid Decree Law. It should be noted that the reserve in question, equal to approximately EUR 209 million, did not undergo any changes in 2024.

The valuation reserves, positive for EUR 66 million, refer mainly to:

- valuation reserves of assets measured at fair value through other comprehensive income;
- the reserves from IAS 19 actuarial gains/losses relate to the valuation of severance indemnity;
- reserves for special revaluation laws.

13.5 Equity instruments: breakdown and annual changes

At the end of the reporting period, equity instruments amounted to EUR 1 million. During the year there were no increases or decreases in equity instruments.

13.6 Other information

There is no other information on equity instruments other than the capital and reserves.

Section 14 – Minority interests – Item 190

14.1 Details on item 210 ‘Minority interests’

At 31 December 2024, minority interests contained no significant balances.

14.2 Equity instruments: breakdown and annual changes

The section does not contain information and therefore was not filled in.

Other information

1. Commitments and financial guarantees given

	Nominal value of commitments and financial guarantees given				Total 31/12/2024	Total 31/12/2023
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
1. COMMITMENTS TO DISBURSE FUNDS	12,546	968	68	-	13,582	13,398
a) Central Banks	-	-	-	-	-	-
b) General governments	290	6	-	-	296	244
c) Banks	798	-	-	-	798	642
d) Other financial corporations	458	19	-	-	477	553
e) Non-financial corporations	9,461	852	58	-	10,371	10,191
f) Households	1,539	91	10	-	1,640	1,768
2. FINANCIAL GUARANTEES GIVEN	1,142	79	31	-	1,252	1,461
a) Central Banks	-	-	-	-	-	-
b) General governments	4	-	-	-	4	4
c) Banks	-	-	-	-	-	5
d) Other financial corporations	32	-	1	-	33	31
e) Non-financial corporations	916	74	26	-	1,016	1,043
f) Households	190	5	4	-	199	378

This table shows the commitments to disburse funds and the financial guarantees given which are subject to the impairment rules of IFRS 9. Commitments to disburse funds and financial guarantees given that are considered derivatives are excluded, as are commitments to disburse funds and financial guarantees given that are measured at fair value.

“Commitments to disburse funds” are commitments that may give rise to credit risks that are subject to the write-down rules of IFRS 9 (e.g. margins available on credit lines granted to customers or banks).

2. Other commitments and guarantees given

	Nominal value	
	Total 31/12/2024	Total 31/12/2023
1. Other guarantees given	258	261
of which: impaired credit exposures	-	-
a) Central Banks	-	-
b) General governments	1	1
c) Banks	257	260
d) Other financial corporations	-	-
e) Non-financial corporations	-	-
f) Households	-	-
2. Other commitments	-	-
of which: impaired credit exposures	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
e) Non-financial corporations	-	-
f) Households	-	-

This table shows the nominal value of other commitments and other guarantees given which fall within the scope of IAS 37 and IFRS 4 respectively and are therefore not subject to the impairment rules of IFRS 9.

3. Asset-backed own liabilities and commitments

PORTFOLIOS	Amount 31/12/2024	Amount 31/12/2023
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	1,045	1,651
3. Financial assets measured at amortised cost	2,017	14,533
4. Tangible assets	-	-
of which: tangible assets that constitute inventories	-	-

4. Breakdown of investments relating to unit-linked and index-linked policies

The Group did not make any investments relating to unit-linked and index-linked policies.

5. Management and intermediation on behalf of third parties

TYPE OF SERVICES	Amount
1. EXECUTION OF ORDERS ON BEHALF OF CUSTOMERS	
a) purchases	55
1. settled	55
2. not settled	-
b) sales	1,176
1. settled	1,176
2. not settled	-
2. PORTFOLIO MANAGEMENT	
a) individual	11,715
b) collective	8,629
3. CUSTODY AND ADMINISTRATION OF SECURITIES	
a) third-party securities under custody: connected to the role as depositary bank (excluding portfolio management)	-
1. securities issued by consolidated companies	-
2. other securities	-
b) third-party securities under custody (excluding portfolio management): other	27,533
1. securities issued by consolidated companies	1,021
2. other securities	26,512
c) third-party securities deposited with third parties	26,765
d) own securities deposited with third parties	89,105
4. OTHER TRANSACTIONS	20,090

6. Financial assets subject to offsetting in the financial statements or subject to master netting arrangements or similar agreements

TECHNICAL FORMS	Gross amount of financial assets (a)	Amount of financial liabilities offset in the financial statements (b)	Net amount of financial assets reported in the financial statements (c=a-b)	Correlated amount not offset in the financial statements		Net amount (f=c-d-e) 31/12/2024	Net amount 31/12/2023
				Financial instruments (d)	Cash deposits pledged as collateral (e)		
1. Derivatives	79	-	79	46	30	3	6
2. Repos	-	-	-	-	-	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total 31/12/2024	79	-	79	46	30	3	X
Total 31/12/2023	90	-	90	15	69	X	6

7. Financial liabilities subject to offsetting in the financial statements or subject to master netting arrangements or similar agreements

TECHNICAL FORMS	Gross amount of financial liabilities (a)	Amount of financial assets offset in the financial statements (b)	Net amount of financial liabilities reported in the financial statements (c=a-b)	Correlated amount not offset in the financial statements		Net amount (f=c-d-e) 31/12/2024	Net amount 31/12/2023
				Financial instruments (d)	Cash deposits issued as guarantee (e)		
1. Derivatives	10	-	10	1	7	2	5
2. Repos	609	-	609	611	2	(4)	-
3. Securities lending	-	-	-	-	-	-	-
4. Other transactions	-	-	-	-	-	-	-
Total 31/12/2024	619	-	619	612	9	(2)	X
Total 31/12/2023	129	-	129	121	3	X	5

Pursuant to IFRS 7, amended in 2013, specific information must be provided about financial instruments that have been offset or that could potentially be offset (if the conditions indicated in section 42 of IAS 32 are met) but are presented in the balance sheet without offsetting because they are governed by "framework netting agreements or similar" that do not meet all the criteria set out in IAS 32, section 42.

In this regard, the Group adopts bilateral netting agreements for contracts relating to OTC derivatives and long-term settlement transactions concluded with primary counterparties through the Parent Company. These agreements are qualified by Regulation (EU) no. 575/2013 as part of other bilateral netting agreements.

Column F of Tables 6 and 7 indicates the credit/debt exposure to the counterparty, which at 31 December 2024 is of a limited amount.

8. Securities lending transactions

The Group has not carried out securities lending transactions.

9. Information on joint operations

For the Group this scenario was not relevant.

PART C - Information on the consolidated income statement

Section 1 – Interest – Items 10 and 20

1.1 Interest income and similar revenues: breakdown

ITEMS/TECHNICAL FORMS	Debt securities	Loans	Other transactions	Total 31/12/2024	Total 31/12/2023
1. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	-	2	-	2	3
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	2	-	2	3
2. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	330	-	X	330	262
3. FINANCIAL ASSETS MEASURED AT AMORTISED COST	652	2,331	-	2,983	2,916
3.1 Loans to banks	19	20	X	39	57
3.2 Loans to customers	633	2,311	X	2,944	2,859
4. HEDGING DERIVATIVES	X	X	21	21	15
5. OTHER ASSETS	X	X	113	113	76
6. FINANCIAL LIABILITIES	X	X	X	3	15
Total	982	2,333	134	3,452	3,287
of which: interest income on impaired financial assets	-	80	-	80	80
of which: interest income on financial leases	X	47	X	47	41

The increase in item 3.2 “Financial assets measured at amortised cost – Loans to customers” is mainly linked to the contribution of lending and financial instruments. These factors made it possible, on the whole, to record interest for EUR 2,944 million, leading to an increase compared to the previous year for approximately EUR 85 million, mainly attributable to the positive contribution of loans to customers.

Items “2. Financial assets measured at fair value through other comprehensive income” and “3. Financial assets measured at amortised cost” include interest income on debt securities for an amount of approximately EUR 982 million, mainly attributable to investments in securities by Central Governments for a countervalue of approximately EUR 30 billion, including EUR 18 billion of “BIP ITALIA” government securities.

Item “5. Other assets” includes revenues from the purchase of tax credits.

Item “6. Financial liabilities” comprises interest income accrued on funding transactions which at 31 December 2024, to a residual extent, were still characterised by negative returns. At 31 December 2024, interest is predominantly recorded in item “20. Interest expenses and similar charges” by virtue of the increases relating to the refinancing rates established by the European Central Bank, as subsequently reported. For detailed information on TLTRO-III loan transactions, please refer to Part A - Accounting Policies, Section 5 – Other Aspects of these Explanatory Notes.

The line “of which: interest income from impaired financial assets” shows interest determined on the basis of the effective interest rate, including interest due to the passage of time. This interest relates exclusively to loans to customers. Interest income also includes interest from securities used in repo transactions.

1.2 Interest income and similar revenues: other information

1.2.1 Interest income on foreign currency financial assets

ITEMS	Total 31/12/2024	Total 31/12/2023
Interest income on foreign currency financial assets	5	6

1.3 Interest expenses and similar charges paid: breakdown

ITEMS/ TECHNICAL FORMS	Payables	Securities	Other transactions	Total 31/12/2024	Total 31/12/2023
1. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	(784)	(209)	X	(993)	(888)
1.1 Due to central banks	(89)	X	X	(89)	(308)
1.2 Due to banks	(22)	X	X	(22)	(23)
1.3 Due to customers	(673)	X	X	(673)	(438)
1.4 Debt securities in issue	X	(209)	X	(209)	(119)
2. FINANCIAL LIABILITIES HELD FOR TRADING	-	-	-	-	-
3. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	-	-	-	-	-
4. OTHER LIABILITIES AND PROVISIONS	X	X	-	-	-
5. HEDGING DERIVATIVES	X	X	(1)	(1)	-
6. FINANCIAL ASSETS	X	X	X	(2)	(3)
Total	(784)	(209)	(1)	(996)	(891)
of which: interest expense on payables for leases	(3)	X	X	(3)	(3)

Item “1.1 Due to Central Banks” fell sharply compared to 2023 as a result of the progressive extinguishment of the final TLTRO-III transactions conducted by the European Central Bank. For detailed information on these loan transactions, please refer to Part A - Accounting Policies, Section 5 – Other Aspects of these Explanatory Notes.

Items “1.2 Due to banks” and “1.3 Due to customers” also include interest on repos, even if carried out against securities recorded as assets.

The increase in item “1.4 Debt securities in issue” is attributable to the new issues of bonds as part of the “Minimum Requirement of Eligible Liabilities – MREL” programme and the increase in certificates of deposit.

1.4 Interest expenses and similar expenses paid: other information

1.4.1 Interest expense on foreign currency financial liabilities

In 2024, approximately EUR 6 million in interest expenses from liabilities in foreign currency was recorded.

1.5 Differentials relative to hedging transactions

ITEMS	Total 31/12/2024	Total 31/12/2023
A. Positive differentials relating to hedging transactions	20	15
B. Negative differentials relating to hedging transactions	-	-
C. Balance (A-B)	20	15

Section 2 – Fees and Commissions – Items 40 and 50

2.1 Fees and commissions income: breakdown

TYPE OF SERVICES/VALUES	Total 31/12/2024	Total 31/12/2023
a) Financial instruments	156	149
1. Placement of securities	-	-
1.1 With direct underwriting and/or on a firm commitment basis	-	-
1.2 Without a firm commitment basis	-	-
2. Order receipt and transmission and execution of orders on behalf of customers	25	24
2.1 Order receipt and transmission of one or more financial instruments	25	24
2.2. Execution of orders on behalf of customers	-	-
3. Other fees and commissions connected with activities related to financial instruments	131	125
of which: dealing for own account	-	-
of which: individual portfolio management	90	86
b) Corporate Finance	1	1
1. Advice on mergers and acquisitions	-	-
2. Treasury services	-	-
3. Other fees and commissions related to corporate finance services	1	1
c) Investment advisory activities	-	1
d) Offsetting and settlement	-	-
e) Collective portfolio management	82	73
f) Custody and administration	6	5
1. Custodian bank	-	-
2. Other fees and commissions related to custody and administration activities	6	5
g) Central administrative services for collective portfolio management	-	-
h) Trust business	-	-
i) Payment services	450	412
1. Current accounts	161	149
2. Credit cards	30	27
3. Debit and other payment cards	75	66
4. Bank transfers and other payment orders	55	51
5. Other fees and commissions related to payment services	129	119
j) Breakdown of third party services	119	110
1. Collective portfolio management	-	-
2. Insurance products	113	103
3. Other products	6	7
of which: individual portfolio management	-	-
k) Structured finance	-	-
l) Servicing activities for securitisation operations	1	-
m) Commitments to disburse funds	-	-
n) Financial guarantees given	16	16
of which: credit derivatives	-	-
o) Financing transactions	122	121
of which: for factoring operations	-	-
p) Foreign currency trading	1	1
q) Commodities	-	-
r) Other fees and commissions income	40	44
of which: activities for the management of multilateral trading systems	-	-
of which: for the management of organised trading systems	-	-
Total	994	933

At the end of the reporting period, the Group does not have significant amounts of fees and commissions income (other than the amounts included in the calculation of the effective interest rate) from financial assets not measured at fair value through profit or loss in accordance with IFRS 7, paragraph 20, letter c(i).

It should also be noted that the Group does not have significant amounts relating to revenues recognised during the year included in the opening balance of liabilities arising from contracts (IFRS 15, paragraph 116 b)).

With reference to the timing of recognition, it should be noted that the management fees are reported periodically in line with the execution of the performance obligation. Performance fees are accounted for when the uncertainties associated with the specific type of fee no longer exist, in line with what is indicated by IFRS 15, para. 56.

2.2 Fees and commissions expenses: breakdown

TYPE OF SERVICES/VALUES	Total 31/12/2024	Total 31/12/2023
a) Financial instruments	(13)	(13)
of which: trading of financial instruments	(2)	(2)
of which: placement of financial instruments	-	-
of which: individual portfolio management	(11)	(11)
- Own	(11)	(11)
- Delegated to third parties	-	-
b) Offsetting and settlement	-	-
c) Collective portfolio management	-	-
1. Own	-	-
2. Delegated to third parties	-	-
d) Custody and administration	(18)	(17)
e) Collection and payment services	(102)	(88)
of which: credit cards, debit cards and other payment cards	(89)	(81)
f) Servicing activities for securitisation operations	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	(2)	(2)
of which: credit derivatives	-	-
i) Out-of-branch offer of financial instruments, products and services	(9)	(8)
j) Foreign currency trading	-	-
k) Other fees and commissions expenses	(13)	(10)
Total	(157)	(138)

At the end of the reporting period, the Group does not have significant amounts of fees and commissions expenses (other than the amounts included in the calculation of the effective interest rate) arising from financial liabilities not measured at fair value through profit or loss (IFRS 7, paragraph 20, letter c (i)).

Section 3 – Dividends and similar income – Item 70

3.1 Dividend and similar income: breakdown

ITEMS/INCOME	Total 31/12/2024		Total 31/12/2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	1	-	1
C. Financial assets measured at fair value through other comprehensive income	3	-	3	-
D. Equity investments	-	-	-	-
Total	3	1	3	1

Section 4 – Net result from trading - Item 80

4.1 Net result from trading: breakdown

TRANSACTIONS/INCOME COMPONENTS	Capital gains	Profit on sale	Capital losses	Loss on sale	Net result
1. FINANCIAL ASSETS HELD FOR TRADING	-	1	-	-	1
1.1 Debt securities	-	1	-	-	1
1.2 Equities	-	-	-	-	-
1.3 UCITS units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. FINANCIAL LIABILITIES HELD FOR TRADING	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. FINANCIAL ASSETS AND LIABILITIES: EXCHANGE RATE DIFFERENCES	X	X	X	X	2
4. DERIVATIVE INSTRUMENTS	2	5	(7)	(1)	6
4.1 Financial derivatives:	2	5	(7)	(1)	6
- On debt securities and interest rates	2	5	(7)	(1)	(1)
- On equities and stock market indices	-	-	-	-	-
- On currencies and gold	X	X	X	X	7
- Other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected to the fair value option	X	X	X	X	-
Total	2	6	(7)	(1)	9

Section 5 – Net profit (loss) on hedge accounting - Item 90

5.1 Net profit (loss) on hedge accounting: breakdown

INCOME COMPONENTS/VALUES	Total 31/12/2024	Total 31/12/2023
A. INCOME RELATED TO:		
A.1 Fair value hedging derivatives	2	-
A.2 Hedged financial assets (fair value)	40	42
A.3 Hedged financial liabilities (fair value)	-	-
A.4 Cash flow hedge derivatives	-	1
A.5 Foreign currency assets and liabilities	-	-
Total income from hedging (A)	42	43
B. EXPENSES RELATED TO:		
B.1 Fair value hedging derivatives	(26)	(41)
B.2 Hedged financial assets (fair value)	(14)	(2)
B.3 Hedged financial liabilities (fair value)	-	-
B.4 Cash flow hedge derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total expenses from hedging (B)	(40)	(43)
C. NET RESULT FROM HEDGING (A - B)	2	-
of which: result of net positions hedging	-	-

The Group avails itself of the possibility, provided for in the introduction of IFRS 9, to continue to apply in full the provisions of IAS 39 on hedge accounting (in the carved out version approved by the European Commission) for each type of hedge. As a consequence, in the table above, the row "of which: result of net positions hedging" provided for those who apply IFRS 9 also for hedging, is not valued.

Section 6 - Profit (Loss) from disposal/repurchase - Item 100

6.1 Profit (loss) from disposal/repurchase: breakdown

ITEMS/INCOME COMPONENTS	Total 31/12/2024			Total 31/12/2023		
	Profit	Loss	Net result	Profit	Loss	Net result
A. FINANCIAL ASSETS						
1. Financial assets measured at amortised cost	58	(310)	(252)	42	(296)	(254)
1.1 Loans to banks	-	(10)	(10)	-	-	-
1.2 Loans to customers	58	(300)	(242)	42	(296)	(254)
2. Financial assets measured at fair value through other comprehensive income	16	(39)	(23)	7	(127)	(120)
2.1 Debt securities	12	(38)	(26)	7	(127)	(120)
2.2 Loans	4	(1)	3	-	-	-
Total assets (A)	74	(349)	(275)	49	(423)	(374)
B. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities (B)	-	-	-	-	-	-

For item “1.2 Loans to customers”, the net result includes losses from the disposal of debt securities, mainly as a result of a repositioning of the securities portfolio aimed at redefining with a view to diversification the relative weights of the issuer counterparties and the duration of the residual portfolio, faced with smaller amounts of financial assets resulting from the repayment of the final TLTRO-III transactions conducted by the European Central Bank.

Section 7 - Net result of other financial assets and liabilities measured at fair value through profit or loss - Item 110

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

This table does not contain information deemed significant and therefore was not filled in.

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

TRANSACTIONS/INCOME COMPONENTS	Capital gains	Profit on sale	Capital losses	Loss on sale	Net result
1. FINANCIAL ASSETS	15	5	(16)	(2)	2
1.1 Debt securities	1	-	(1)	-	-
1.2 Equities	2	3	(1)	(2)	2
1.3 UCITS units	2	2	(4)	-	-
1.4 Loans	10	-	(10)	-	-
2. FINANCIAL ASSETS: EXCHANGE RATE DIFFERENCES	X	X	X	X	-
Total	15	5	(16)	(2)	2

Trading profit (loss) and capital gains (losses) from valuations are reported with balances opened by type of financial instrument.

This item includes capital gains and losses that are derived from the fair value measurement of financial assets/liabilities that are classified in the portfolio under item 20.c of Assets.

Section 8 - Net value adjustments/write-backs due to credit risk - Item 130

8.1 Net value adjustments due to credit risk relative to financial assets measured at amortised cost: breakdown

TRANSACTIONS/ INCOME COMPONENTS	Value adjustments (1)						Write-backs (2)				Total 31/12/2024	Total 31/12/2023	
	Stage 1	Stage 2	Stage 3		Purchased or originated credit- impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired			
			Write-offs	Other	Write-offs	Other							
A. LOANS TO BANKS	(2)	-	-	-	-	-	-	3	-	-	-	1	1
- Loans	(2)	-	-	-	-	-	-	2	-	-	-	-	(1)
- Debt securities	-	-	-	-	-	-	-	1	-	-	-	1	2
B. LOANS TO CUSTOMERS	(104)	(240)	(8)	(650)	-	(2)	-	104	333	684	8	125	(80)
- Loans	(100)	(237)	(8)	(650)	-	(2)	-	100	330	684	8	125	(80)
- Debt securities	(4)	(3)	-	-	-	-	-	4	3	-	-	-	-
Total	(106)	(240)	(8)	(650)	-	(2)	-	107	333	684	8	126	(79)

Value adjustments, reported under the column "Stage 3 – Other", relate to analytical write-downs of loans, while those reported under the column "Stage 3 – Write offs" arise from redemption events. The write-backs, in the column 'stages 1 and 2', correspond to the adjustments to performing positions.

Net value adjustments relating to loans to customers at 31 December 2024 recovered by approximately EUR 125 million, compared to EUR 80 million in adjustments recorded in the previous year. Despite the fact that conservative provision policies were maintained in 2024 and were, in any case, consistent with the provisions of IAS/IFRS accounting standards, hedging of impaired loans led to net write-backs on credit positions thanks above all to internal management activity, which the Affiliated Banks perform in accordance with a strategy aimed at constant support and proximity to customers.

The write-backs recorded also reflect the effects arising from the revision of the IFRS 9 model outlined in Part A of these Explanatory Notes, under the paragraph "Classification and measurement of loans to customers based on the general impairment model IFRS 9" in Section 5 - Other aspects, to which reference should be made for further details about the model.

For more detailed information pertaining to movements in net adjustments to loans, refer to Part E of these Explanatory Notes.

8.2 Net value adjustments due to credit risk relative to financial assets measured at fair value through other comprehensive income: breakdown

TRANSACTIONS/ INCOME COMPONENTS	Value adjustments (1)						Write-backs (2)				Total 31/12/2024	Total 31/12/2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit- impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired		
			Write- offs	Other	Write- offs	Other						
A. DEBT SECURITIES	(3)	-	-	-	-	-	3	-	-	-	-	(1)
B. LOANS	-	-	-	-	-	-	-	-	-	-	-	-
- To customers	-	-	-	-	-	-	-	-	-	-	-	-
- To banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	(3)	-	-	-	-	-	3	-	-	-	-	(1)

Section 9 – Profit/loss from contractual changes without derecognitions – Item 140

9.1 Profit (loss) from contractual changes: breakdown

As at 31 December 2024, losses from contractual amendments without derecognitions of approximately EUR 3 million were recognised under this item.

As at 31 December 2023, the aforesaid losses amounted to EUR 1 million.

Section 10 – Net premiums – Item 160

This section has not been filled in given that there are no insurance companies in the Group at the end of the reporting period.

Section 11 – Balance of other income and expenses of insurance management – Item 170

This section has not been filled in given that there are no insurance companies in the Group at the end of the reporting period.

Section 12 – Administrative expenses – Item 190

12.1 Staff expenses: breakdown

TYPE OF EXPENSES/VALUES	Total 31/12/2024	Total 31/12/2023
1) EMPLOYEES	(1,075)	(986)
a) salaries and wages	(724)	(667)
b) social security contributions	(181)	(162)
c) severance indemnity	(38)	(37)
d) pension contributions	-	-
e) provision for severance indemnity	(4)	(5)
f) allocation to post-employment benefits:	-	-
- with defined contribution	-	-
- with defined benefit	-	-
g) payments to external supplementary post-employment benefits:	(34)	(31)
- with defined contribution	(34)	(31)
- with defined benefit	-	-
h) costs deriving from payment agreements based on own equity instruments	-	-
i) other employee benefits	(94)	(84)
2) OTHER OPERATING PERSONNEL	(8)	(8)
3) DIRECTORS AND AUDITORS	(36)	(34)
4) RETIRED PERSONNEL	-	-
Total	(1,119)	(1,028)

At 31 December 2024, staff expenses stood at approximately EUR 1.1 billion with an increase of EUR 91 million compared to December 2023. The increase in the item is mainly attributable to item “a) salaries and wages”, equal to EUR 57 million, which incorporates adjustment to new economic conditions envisaged by the new CCNL contract for cooperative credit employees, including a “one-off” component issued in July 2024 equal to approximately EUR 16 million.

12.2 Average number of employees by category

	Total 31/12/2024	Total 31/12/2023
EMPLOYEES (A+B+C)	11,891	11,603
a) executives	196	192
b) middle managers	3,342	3,082
c) remaining employees	8,353	8,329
OTHER PERSONNEL	186	168

The average number of employees includes employees of other companies seconded to the company and excludes employees of the company seconded to other companies. In the case of part-time employees, 50% is conventionally taken into account. The average number is calculated as the weighted average of employees where the weight is given by the number of months worked per year.

12.3 Defined benefit post-employment funds: costs and revenue

For information on this point, please refer to that described in the Liabilities in the Balance sheet, Section 9, paragraph “9.2 Provision for severance indemnity: other information”.

12.4 Other employee benefits

ITEMS	Total 31/12/2024	Total 31/12/2023
SUNDRY STAFF EXPENSES		
1. allocation of loyalty bonus	(2)	(1)
2. insurance	(16)	(12)
3. staff leaving incentives	(42)	(42)
4. meal vouchers	(17)	(15)
5. training courses	(6)	(5)
6. other benefits	(11)	(9)
Other employee benefits	(94)	(84)

12.5 Other administrative expenses: breakdown

ITEMS	Total 31/12/2024	Total 31/12/2023
ICT expenses	(141)	(113)
Outsourced ICT expenses	(49)	(31)
ICT expenses other than outsourced ICT expenses	(92)	(82)
Taxes and levies (other)	(177)	(157)
Expenses for professional and consulting services	(140)	(136)
Advertising and entertainment expenses	(32)	(25)
Expenses related to debt collection	(17)	(17)
Litigation expenses not covered by allocations	-	-
Expenses for real estate	(32)	(25)
Lease fees	-	-
Other administrative expenses - Other	(232)	(261)
of which: cash contributions to resolution funds and deposit guarantee systems	(37)	(74)
Total administrative expenses	(771)	(734)

At December 2024, the item “Other administrative expenses” totalled EUR 771 million, an increase of around EUR 37 million compared to December 2023, mainly attributable to the increase in IT and professional expenses to support the Group’s needs. In particular, the increase in ICT expenses for approximately EUR 28 million mainly relates to an increase in costs incurred by Allitude, associated with ordinary management and development activities, intended to ensure adequate support for the business needs of the Affiliated Banks and the Parent Company.

The item “Other administrative expenses – Other” decreased by approximately EUR 38 million. The change in this item is attributable to the lack of requests to contribute to the Single Resolution Fund (SFR) for financial year 2024 to achieve the target level of available financial means at 31 December 2023, which was approximately EUR 21 million. Furthermore, contributions to DGS (Deposit Guarantee Schemes) also fell from approximately EUR 52 million in December 2023 to approximately EUR 36 million in December 2024.

The sub-item “Lease fees” includes short-term rentals (contracts with a residual useful life of less than 12 months) and rentals relating to leases of modest value (less than EUR 5 thousand) for an insignificant amount.

Section 13 - Net allocations to provisions for risks and charges - Item 200

13.1 Net allocations for credit risk relative to commitments to disburse funds and financial guarantees given: breakdown

ITEMS	31/12/2024			31/12/2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Allocations			Allocations			
COMMITMENTS TO DISBURSE FUNDS						
Commitments to disburse funds	(7)	(20)	(29)	(8)	(19)	(39)
FINANCIAL GUARANTEES GIVEN						
Financial guarantee contracts	(3)	(5)	(10)	(1)	(2)	(11)
Total allocations (-)	(10)	(25)	(39)	(9)	(21)	(50)
Reallocations			Reallocations			
COMMITMENTS TO DISBURSE FUNDS						
Commitments to disburse funds	12	21	37	17	4	38
FINANCIAL GUARANTEES GIVEN						
Financial guarantee contracts	1	2	18	-	1	12
Total reallocations (+)	13	23	55	17	5	50
Net allocation			Net allocation			
Total	3	(2)	16	8	(16)	-

13.2 Net allocations relative to other commitments and guarantees given: breakdown

At 31 December 2024, as in the previous year, the item recorded no significant results.

13.3 Net allocations to other provisions for risks and charges: breakdown

ITEMS	31/12/2024			31/12/2023		
	Allocations	Reallocations	Net total	Allocations	Reallocations	Net total
ALLOCATIONS AND REALLOCATIONS TO OTHER PROVISIONS FOR RISKS AND CHARGES						
1. for risks on revocatory actions	(1)	-	(1)	(2)	-	(2)
2. for charity	-	-	-	-	-	-
3. for personnel risks and charges	-	3	3	-	3	3
4. for legal and tax disputes	(9)	11	2	(14)	8	(6)
5. for other risks and charges	(5)	19	14	(5)	5	-
Total	(15)	33	18	(21)	16	(5)

Section 14 - Net value adjustments/write-backs to tangible assets - Item 210

14.1. Net value adjustments to tangible assets: breakdown

ASSET/INCOME COMPONENTS	Amortisation	Impairment losses	Write-backs	Net result
A. TANGIBLE ASSETS				
1. For business use	(109)	(2)	-	(111)
- Owned	(78)	(2)	-	(80)
- Rights of use acquired through lease	(31)	-	-	(31)
2. Held for investment purposes	(2)	(1)	-	(3)
- Owned	(2)	(1)	-	(3)
- Rights of use acquired through lease	-	-	-	-
3. Inventories	X	(8)	-	(8)
Total	(111)	(11)	-	(122)

During the year, tangible assets classified as “assets held for sale” in accordance with IFRS 5 were measured. The result of this measurement is not significant.

Section 15 - Net value adjustments/write-backs to intangible assets - Item 220

15.1 Net value adjustments to intangible assets: breakdown

ASSET/INCOME COMPONENT	Amortisation	Impairment losses	Write-backs	Net result
A. INTANGIBLE ASSETS				
of which: software	(17)	-	-	(17)
A.1 Owned	(19)	-	-	(19)
- Generated internally by the company	-	-	-	-
- Other	(19)	-	-	(19)
A.2 Rights of use acquired through lease	-	-	-	-
Total	(19)	-	-	(19)

Section 16 - Other operating income/expenses - Item 230

16.1 Other operating expenses: breakdown

ITEMS	Total 31/12/2024	Total 31/12/2023
Amortisation of improvements to non-separable third-party assets	(7)	(6)
Expenses for treasury contracts with General Governments	-	-
Expenses for transactions and indemnities	(2)	(3)
Non-existent items and contingencies not ascribable to own items	(5)	(6)
Bonuses and rounding down	-	-
Other operating expenses - other	(2)	(10)
Total other operating expenses	(16)	(25)

16.2 Other operating income: breakdown

ITEMS	Total 31/12/2024	Total 31/12/2023
Recovery of taxes	160	141
Charges to third parties for costs on deposits and current accounts	3	3
Recovery of insurance premiums	3	2
Receivable rents and payments	5	2
Recovery of other expenses	13	13
Non-existent items and contingencies not ascribable to own items	9	9
Badwill from Purchase Price Allocation	-	-
Bonuses and rounding up	-	-
Other operating income - other	46	50
Total other operating income	239	220

At the end of the reporting period, the Group does not have significant amounts relating to revenues recognised during the year included in the opening balance of liabilities arising from contracts (IFRS 15 para. 116 b)) and revenues recognised during the year arising from obligations fulfilled in previous years (IFRS 15 para. 116 c)).

It should be noted that the following are not of significance for the Group:

- income from sublease of assets consisting of the right of use (IFRS 16, para. 53, letter f));
- income related to variable finance lease payments not included in the measurement of the net investment in the lease (IFRS 16, para. 90 letter a), iii));
- operating lease income arising from variable payments that are not dependent on an index or rate (IFRS 16, para. 90 letter b)).

Section 17 - Profit/(Loss) on equity investments - Item 250

17.1 Profit (loss) on equity investments: breakdown

INCOME COMPONENT/SECTORS	Total 31/12/2024	Total 31/12/2023
1) JOINTLY-CONTROLLED COMPANIES		
A. INCOME	1	-
1. Revaluations	-	-
2. Gains from disposal	1	-
3. Write-backs	-	-
4. Other Income	-	-
B. EXPENSES	(6)	(3)
1. Write-downs	-	-
2. Impairment losses	(6)	(3)
3. Losses from disposal	-	-
4. Other expenses	-	-
Net result	(5)	(3)
2) COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE		
A. INCOME	1	3
1. Revaluations	1	3
2. Gains from disposal	-	-
3. Write-backs	-	-
4. Other Income	-	-
B. EXPENSES	(6)	(5)
1. Write-downs	(4)	(5)
2. Impairment losses	(2)	-
3. Losses from disposal	-	-
4. Other expenses	-	-
Net result	(5)	(2)
Total	(10)	(5)

Aggregate "1) Jointly controlled companies" contains, under item "A.1 Gains from disposal", the effects arising from the liquidation of Cassa Rurali Raiffeisen Finanziaria S.p.A. in liquidazione.

Aggregate "1) Jointly controlled companies", includes, under item "B.2 Impairment losses", the effects arising from the review of the value of the jointly controlled investment in Fronte Parco Immobiliare S.r.l.

Aggregate "2) Companies subject to a significant influence", includes, under item "B.2 Impairment losses", the effects arising from the review of the value of the equity investment in Fondo Leonida.

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

At 31 December 2024, as in the previous year, the item recorded no significant results.

Section 19 – Value adjustments to goodwill – Item 270

This section, as in the previous year, does not contain information deemed significant and therefore has not been completed.

For a description of the methods used to perform impairment tests on goodwill, see Part B – Assets, Section 10 – Intangible assets.

Section 20 – Profit (Loss) from disposal of investments – Item 280

20.1 Profit (loss) from disposal of investments: breakdown

INCOME COMPONENTS/VALUES	Total 31/12/2024	Total 31/12/2023
A. REAL ESTATE	1	1
- Gains from disposal	1	3
- Losses from disposal	-	(2)
B. OTHER ASSETS	(1)	1
- Gains from disposal	-	1
- Losses from disposal	(1)	-
Net result	-	2

Section 21 – Income taxes for the year on current operating activities – Item 300

21.1 Income taxes for the year on current operating activities: breakdown

INCOME COMPONENT/SECTORS	Total 31/12/2024	Total 31/12/2023
1. Current taxes (-)	(95)	(77)
2. Changes in current taxes of previous years (+/-)	(2)	3
3. Decrease in current taxes of the year (+)	2	3
3. bis Decrease in current taxes of the year for tax credits pursuant to Law no. 214/2011 (+)	27	8
4. Change in advance taxes (+/-)	(136)	(97)
5. Change in deferred taxes (+/-)	(3)	4
6. Income taxes for the year (-) (-1+/-2+3+3bis+/-4+/-5)	(207)	(156)

21.2 Reconciliation between the theoretical tax charge and the effective tax charge in the financial statements

INCOME COMPONENTS	Tax
Profit from current operating activities, gross of tax (item 290 of the income statement)	1,375
IRES income taxes - theoretical fiscal charge:	(377)
Effects of decreases in taxable income on IRES	390
Effects of increases in taxable income on IRES	(44)
A. EFFECTIVE FISCAL CHARGE – CURRENT IRES TAX	(31)
Increases in deferred tax assets	5
Decreases in deferred tax assets	(125)
Increases in deferred tax liabilities	(3)
Decreases in deferred tax liabilities	-
B. TOTAL EFFECTS OF DEFERRED IRES TAXATION	(123)
C. CHANGES IN CURRENT TAXES OF PREVIOUS YEARS	26
D. TOTAL ACCRUED IRES (A+B+C)	(128)
Theoretical fiscal charge for IRAP with application of nominal rate (difference between net interest and other banking income and allowable deductible costs):	(111)
Effect of decreases in value of production	61
Effect of increases in value of production	(14)
Changes in current taxes of previous years	1
E. EFFECTIVE FISCAL CHARGE – CURRENT IRAP TAX	(63)
Increases in deferred tax assets	-
Decreases in deferred tax assets	(16)
Increases in deferred tax liabilities	-
Decreases in deferred tax liabilities	-
F. TOTAL EFFECTS OF DEFERRED IRAP TAXATION	(16)
G. TOTAL ACCRUED IRAP (E+F)	(79)
H. IRES/IRAP SUBSTITUTE TAX FOR EXEMPTION OF MISMATCHES	-
TOTAL IRES - IRAP CURRENT TAXES (A+C+E+H)	(68)
TOTAL IRES - IRAP ACCRUED TAXES (D+G+H)	(207)

Section 22 – Profit/(Loss) after tax from discontinued operations – Item 320

This section does not contain information and therefore was not filled in.

Section 23 – Profit (Loss) for the year of minority interests – Item 340

The item “Profit (Loss) for the year of minority interests” as at 31 December 2024 showed no significant value, as per the previous year.

Section 24 – Other information

There is no further information other than that already provided.

Section 25 – Earnings per share

25.1 Average number of ordinary shares with diluted capital

The information relating to this section is not reported in view of the particular characteristics of the Cassa Centrale Banca Group.

25.2 Other information

There is no further information to be presented in relation to the above.

PART D - Comprehensive income

Analytic statement of consolidated comprehensive income

ITEMS	31/12/2024	31/12/2023
10. Profit (loss) for the year	1,168	871
Other components of income without reversal to the income statement	9	12
20. Equities measured at fair value through other comprehensive income:	8	14
a) change in fair value	9	14
b) transfers to other components of equity	(1)	-
30. Financial liabilities measured at fair value through profit or loss (changes in credit rating):	-	-
a) change in fair value	-	-
b) transfers to other components of equity	-	-
40. Hedging of equities measured at fair value through other comprehensive income:	-	-
a) change in fair value (hedged instrument)	-	-
b) change in fair value (hedging instrument)	-	-
50. Tangible assets	-	-
60. Intangible assets	-	-
70. Defined benefit plans	2	(1)
80. Non-current assets and groups of assets held for disposal	-	-
90. Quota of reserves from the valuation of shareholdings measured with the equity method	-	-
100. Financial revenues or costs relating to insurance contracts issued	-	-
110. Income taxes on other income components without reversal to the income statement	(1)	(1)
Other components of income with reversal to the income statement	77	199
120. Hedging of foreign investments:	-	-
a) changes in fair value	-	-
b) reversal to income statement	-	-
c) other changes	-	-
130. Exchange rate differences:	-	-
a) value changes	-	-
b) reversal to income statement	-	-
c) other changes	-	-
140. Cash flow hedging:	-	(1)
a) changes in fair value	-	-
b) reversal to income statement	-	-
c) other changes	-	(1)
of which: result of net positions	-	-

ITEMS	31/12/2024	31/12/2023
150. Hedging instruments (non-designated elements):	-	-
a) value changes	-	-
b) reversal to income statement	-	-
c) other changes	-	-
160. Financial assets (other than equities) measured at fair value through other comprehensive income:	117	295
a) changes in fair value	42	157
b) reversal to income statement	71	130
- credit risk adjustments	-	-
- profit/loss on sale	71	130
c) other changes	4	8
170. Non-current assets and groups of assets held for disposal:	-	-
a) changes in fair value	-	-
b) reversal to income statement	-	-
c) other changes	-	-
180. Quota of reserves from the valuation of shareholdings measured with the equity method:	(1)	-
a) changes in fair value	-	-
b) reversal to income statement	-	-
- adjustments for impairment	-	-
- profit/loss on sale	-	-
c) other changes	(1)	-
190. Financial revenues or costs from insurance contracts issued:	-	-
a) changes in fair value	-	-
b) reversal to income statement	-	-
c) other changes	-	-
200. Financial revenues or costs relating to reinsurance transfers:	-	-
a) changes in fair value	-	-
b) reversal to income statement	-	-
c) other changes	-	-
210. Income taxes on other income components with reversal to the Income Statement	(39)	(95)
220. Total other income components	86	211
230. Comprehensive income (Item 10+220)	1,254	1,082
240. Consolidated comprehensive income pertaining to minority interests	-	-
250. Consolidated comprehensive income pertaining to the Parent Company	1,254	1,082

PART E - Information on risks and related hedging policies

Introduction

The Group pays particular attention to risk management and governance and operates by ensuring the constant evolution of its organisational/procedural controls and methodological solutions used for measuring and monitoring. These activities are carried out with tools aimed at supporting effectively and efficiently the governance of risks process, also in response to changes in the reference operational and regulatory environment. As required by the regulations on the reform of cooperative credit, the outsourcing of control functions at the Parent Company by the Affiliated Banks of the Cooperative Banking Group is operational. It is therefore the task of the Parent Company to define the guidelines for risk measurement and management.

The risk management strategy is based on a holistic view of business risks and considers both the macroeconomic scenario and the individual risk profile, stimulating the growth of the risk control culture and reinforcing a transparent and accurate representation of risks. In this context, it should be noted, as a natural continuation of the process to strengthen the Group's process of identifying climate and environmental risks, that the outcomes of the impact assessments of climate-related and environmental factors in the short, medium and long term in the context in which the Group operates or could operate were formalised.

The risk assumption strategies are summarised in the Risk Appetite Framework (hereinafter also referred to as "RAF") adopted by the Board of Directors of the Parent Company, i.e. the reference framework that defines – consistently with the maximum risk that can be assumed, the business model and the strategic plan – the risk appetite, the tolerance thresholds, the risk limits, the risk management policies, the reference processes necessary to define and implement them. The RAF, introduced to ensure that risk-taking activities are in line with shareholders' expectations and comply with the overall regulatory and prudential framework of reference, is defined in light of the company's overall risk position and the economic/financial situation.

The framework is developed by the Parent Company and is divided into the following main areas:

- organisational, through (i) the definition of the tasks of the corporate bodies and functions involved in the RAF; (ii) the updating of organisational and governance documents with regard to the main risk profiles (credit and counterparty, concentration, interest rate, market, liquidity, operational) and references for the management of the related interrelationships (risk management policies, risk management process, internal processes for determining and assessing capital adequacy so-called ICAAP-ILAAP, strategic and operational planning, internal control system, incentive system, major operations, etc.) within a framework of overall consistency; (iii) the definition of the relevant information flows;
- methodological, through (i) the definition of indicators, of operational references for their evaluation and the setting of inherent thresholds; (ii) the declination of the objectives and indicators identified in the system of operational limits;
- application, through the reconnaissance of the areas of intervention on the application supports for risk management and supervisory processes (risk measurement, supervisory reporting, ICAAP-ILAAP, simulation/forecasting, alerting activities, reporting, etc.) and the definition of the functional requirements for the related development.

The framework defines both the general principles in terms of the company's risk appetite and the controls adopted with regard to the overall risk profile and the main specific risks.

The general principles that guide the Group's risk-taking strategy are set out below:

- the company's business model is focused on the traditional business of a commercial credit group, with a particular focus on financing small and medium-sized enterprises and households;
- the objective of the company's strategy is not to eliminate risks but to fully understand them in order to ensure their conscious assumption and management in order to guarantee the long-term solidity and continuity of the company;
- limited risk appetite; capital adequacy, income stability, solid liquidity position, attention to maintaining a positive corporate reputation, strong control over the main specific risks to which the company is exposed represent key elements on which the entire company's operations are based;
- formal and substantial compliance with the rules with the aim of not incurring sanctions and maintaining a solid relationship of trust with all company's stakeholders.

The RAF represents, therefore, the overall framework within which the overall management of the risks assumed is placed and the general principles of risk propensity are defined and the consequent articulation of the controls against the overall corporate risk and the main specific risks.

The overall risk profile is monitored by a structure of limits based on the need to ensure compliance with the required minimum levels of solvency, liquidity and profitability, even under stressful conditions.

In particular, overall risk management aims to maintain adequate levels of:

- capitalisation, with reference to Pillar I and Pillar II risks, through the monitoring of the Common Equity Tier 1 ratio, the Tier 1 ratio, the Total Capital ratio and the financial leverage indicator;
- liquidity, such as to cope with periods of tension, even prolonged ones, on the various funding supply markets with reference to both the short-term situation and the structural situation, by monitoring the limits inherent in the Liquidity Coverage ratio, stable funding, loan-collection gap;
- profitability, through the monitoring of indicators such as cost-income and ROA.

The definition of the RAF and the resulting operational limits on the main specific risks mentioned above, the use of risk assessment tools within the credit management processes and the reference control and monitoring of operational and compliance risks, capital adequacy assessment measures and risk capital measures for the assessment of company performance, are the cornerstones of the operational declination of the risk strategy defined by the Board of Directors.

In the same context, reporting to corporate bodies is defined, which aims to provide on a periodic basis summary information on the evolution of the banking Group's risk profile, taking into account the defined risk appetite. The relative system is designed to support the preparation of a holistic representation of the risk profiles to which the Group is exposed.

The definition of the RAF is based on an articulated and complex process, coordinated by the Parent Company. This process is developed in coherence with the ICAAP-ILAAP process and represents the framework within which the annual budget and the business plan are developed, ensuring coherence between risk taking strategies and policies on the one hand, and planning and budgeting processes on the other.

Specific policies and regulations common to the Group issued by the Parent Company have been adopted to strengthen the overall risk management and governance system.

The risk governance model, i.e. the set of corporate governance and management and control mechanisms aimed at tackling the risks to which the Group is exposed, is part of the broader framework of the company's internal control system, which is addressed by the Parent Company as part of the outsourcing contract, defined in accordance with the prudential supervisory provisions for banks set out in Bank of Italy Circular no. 285/2013 (Part One, Title IV, Chapter 3).

Consistently with these references, all company risks are monitored within the framework of an organisational model based on the full separation of control functions from production functions, which integrates control methodologies and processes at different levels, all of which converge with the objectives of continuously detecting, measuring and verifying the risks typical

of company activities, safeguarding the integrity of company assets, protecting against losses, guaranteeing the reliability and integrity of information, and verifying the correct performance of activities in compliance with internal and external regulations.

The internal control system consists of all the rules, functions, structures, resources, processes and procedures that aim to ensure, in compliance with sound and prudent management, the achievement of the following objectives:

- verification of the implementation of company strategies and policies;
- containment of the risk within the limits defined in the adopted RAF;
- safeguarding the value of assets and protection against losses;
- effectiveness and efficiency of operating processes;
- reliability and security of company information and IT procedures;
- prevention of the risk that the Group may be involved, even involuntarily, in illegal activities (with particular reference to those connected with money laundering, usury and terrorist financing);
- compliance of operations with the law and supervisory regulations, as well as with internal policies, regulations and procedures.

The internal control system therefore involves the entire corporate organisation (administrative bodies, structures, hierarchical levels, personnel).

* * *

In line with the provisions issued by the Bank of Italy, the model adopted by the Group outlines the main responsibilities of the governance and control bodies in order to ensure the overall effectiveness and efficiency of the internal control system.

A joint examination of the supervisory regulations and the Articles of Association shows that the strategic supervision function and the management function are founded within the organic and integrated action of the Board of Directors. In the Parent Company there is the figure of the Chief Executive Officer who also incorporates the functions of the General Manager. The Chief Executive Officer is appointed by the Board of Directors by conferring certain powers and responsibilities pursuant to Article 2381, second paragraph of the Italian Civil Code. For the functions assigned to the Chief Executive Officer, reference should be made to Article 34.2 of Cassa Centrale Banca's Articles of Association.

The strategic supervision function is expressed in the guidance of the corporate management through the preparation of the strategic plan, within which the Risk Appetite Framework (RAF) is inserted through the approval of the ICAAP-ILAAP and the budget. This function is carried out by ensuring consistency between the internal control system and the Group's organisation within the cooperative credit "business model". It should be noted that only a consolidated ICAAP-ILAAP report is formally required by the Supervisory Authority and no longer individual documents; the contributions of the individual Group companies are taken into account in the preparation of the report. However, when updating the annual RAS, the Parent Company defines a forward-looking positioning at individual level in terms of capital and liquidity and other relevant risks, and compliance with it is verified on a quarterly basis. Furthermore, analyses relating to the Guarantee Agreement, which allow banks to be assessed in terms of capital and liquidity and thus define the Fund's allocation, and the quarterly monitoring of the Risk-Based model, which classifies banks according to different risk profiles, also provide support.

The management function, to be understood as the set of decisions that a corporate body takes for the implementation of the guidelines resolved in the exercise of the strategic supervision function, is the responsibility of the Board of Directors with the technical contribution of the Chief Executive Officer for the Parent Company, who takes part in the meetings of the Board of Directors, or of the General Management within the Cooperative Credit Banks. This function is mainly carried out in the following ways:

- resolutions passed by the Board of Directors, also on the proposal of the Chief Executive Officer/General Management, in compliance with the provisions of the Articles of Association;

- resolutions of the Executive Committee, normally on the proposal of the Chief Executive Officer/General Management, in the delegated areas;
- decisions of the Chief Executive Officer/General Management and the corporate structure in the delegated areas.

In accordance with the Articles of Association, the Chief Executive Officer/General Management is then responsible for implementing the resolutions of the Board of Directors and the Executive Committee and has the task of supervising the organisational functioning, the performance of operations and the functioning of services, ensuring that the Group is managed as a single entity.

The Chief Executive Officer, as head of personnel, ensures constant attention to the training of employees, also acting as a lever to spread the culture and techniques of risk management and control. He/she also involves the governing body for the approval of training plans and supports it in identifying training methods and content from time to time useful for the development of the directors themselves.

The Board of Statutory Auditors represents the body with control functions and, as it is responsible for corporate control, supervises the correct application of the law and the Articles of Association and, specifically, the adequacy of the internal control system and the effectiveness of the work of the corporate control functions, also making use of the information flows that they carry out.

* * *

The provisions in relation to the internal control system, information system and business continuity accentuate the need for a prior definition of the reference framework for carrying out banking activities in terms of risk appetite, setting a frame of reference that banking groups must apply consistently to operational contexts, size and degree of complexity. This reference framework is defined in the RAF, i.e. the system of risk objectives, and it involves the ex ante setting of the risk/return objectives that the Group intends to achieve. The process is directed by the Parent Company, in order to ensure the necessary consistency of application at consolidated level.

The main purpose of the RAF is to ensure that the intermediary's activity develops within the risk appetite limits set by the corporate bodies.

The RAF is an obligatory reference point for the implementation, within the strategic plan, of a reasoning that leads to establishing the Group's propensity to risk and that translates into risk management policies, expressed through the definition of quantitative parameters and qualitative indications consistent with it.

This reference framework is delivered through the development of the strategic plan from an RAF perspective, with which the budget, ICAAP-ILAAP and operational planning are linked.

The Risk Appetite Framework (RAF) and the related risk governance policies, summarised in the strategic plan, are consistently implemented in risk management, which takes the form of an implementation method that integrates approach phases (summarised in the so-called risk management process) and operational phases for the execution of the set objectives.

It involves both the Board of Directors (for resolutions falling within its remit) and Corporate Management, who - also with the support of the heads of the operational functions involved from time to time and the second-level control function contacts for the powers for which they are responsible - prepare the proposals to be submitted to the Board of Directors, draw up their own provisions and organically oversee the operational risk management activities.

Consequently, risk management is configured as a set of limits, delegations, rules, procedures, resources and first- and second-level line controls as well as operational activities through which risk management policies are implemented.

* * *

The supervisory regulations require banking groups to have adequate systems of risk detection, measurement and control, or an adequate internal control system as defined above.

The controls involve the entire structure, starting from the corporate bodies and the Management and are then articulated in:

- line controls, the main objective of which is to verify the correctness of operations with respect to external/self-regulation rules;
- second-level controls (Risk Management, Compliance and Anti-Money Laundering), aimed at implementing controls on risk management, the correct application of legislation and the management of the risk of money laundering and terrorist financing;
- third level controls (Internal Audit), aimed at identifying anomalous trends in procedures and regulations and assessing the functionality of the overall internal control system.

The Internal Audit Department, which oversees the third level of control, checks the other control systems, activating periodic sessions aimed at monitoring risk variables.

During the year, Audits mainly focused on the following corporate processes:

- ICAAP-ILAAP report;
- remuneration policies;
- complaints and disputes management;
- Group proprietary portfolio;
- granting of loans;
- liquidity management;
- cash management;
- outsourcing management;
- ICT measures (data governance, PMO, incident management);
- other topics.

Section 1 - Risks of the consolidated accounts

In this section, information is provided with reference to the companies included in the consolidated accounts.

Information of a quantitative nature

A. Credit quality

A.1 Impaired and performing credit exposures: amounts, value adjustments, trend and economic distribution

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

PORTFOLIOS/QUALITY	Non-performing	Unlikely to pay	Impaired past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	37	267	38	553	70,570	71,465
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	9,742	9,742
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	102	102
5. Financial assets held for disposal	-	-	-	-	-	-
Total 31/12/2024	37	267	38	553	80,414	81,309
Total 31/12/2023	40	254	33	504	83,105	83,936

With regard to forborne exposures, reference should be made to Section 2, Table A.1.5.

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

PORTFOLIOS/QUALITY	Impaired				Performing			Total (net exposure)
	Gross exposure	Writedowns	Net exposure	Total partial write-offs	Gross exposure	Writedowns	Net exposure	
1. Financial assets measured at amortised cost	1,794	1,452	342	269	71,801	678	71,123	71,465
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	9,744	2	9,742	9,742
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	1	1	-	-	X	X	102	102
5. Financial assets held for disposal	-	-	-	-	-	-	-	-
Total 31/12/2024	1,795	1,453	342	269	81,545	680	80,967	81,309
Total 31/12/2023	2,151	1,824	327	287	84,204	728	83,609	83,936

PORTFOLIOS/QUALITY	Assets of evident low credit quality		Other assets
	Cumulated capital losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	6
2. Hedging derivatives	-	-	70
Total 31/12/2024	-	-	76
Total 31/12/2023	-	-	89

B. Disclosure on structured entities (different from securitisation special purpose vehicles)

In accordance with IFRS 12 paragraph B21, there are defined entities structured so that voting or similar rights are not the pre-dominant factor in determining who controls the entity.

Structured entities have all or some of the following characteristics:

- limited activities;
- a limited and well-defined social purpose;
- insufficient equity to allow the structured entity to finance its activities without subordinated financial support;
- loans by investors that create concentrations of credit risk or other risks (tranches).

B.1 Consolidated structured entities

Structured entities subject to consolidation are those over which the Cassa Centrale Group has the power over the entity's relevant activities and is exposed to the variability of their returns, by virtue of the financial instruments underwritten.

At the end of the reporting period, the Cassa Centrale Group consolidated the Fondo Leonida (closed-end alternative real estate investment fund) by virtue of the financial instruments subscribed (fund units), financial support to the fund and exposure to the variability of returns on the fund's relevant activities.

B.2 Structured entities not consolidated from an accounting viewpoint

B.2.1. Prudentially consolidated structured entities

Qualitative information

There are no prudentially consolidated structured entities different from those already consolidated for accounting purposes.

B.2.2. Other structured entities

Qualitative information

Exposures to non-consolidated structured entities are attributable mainly to collective investment undertakings (hereinafter also referred to as "UCITS"). For detailed information on exposures to UCITS, please refer to Part B - Information on the balance sheet, assets, section 2, table 2.5.

TYPE OF STRUCTURED ENTITY	Interest	Commissions	Dividends	Other income/expenses	Total
UCITS	-	82	1	-	83
Special purpose vehicle	-	-	-	-	-

Section 2 - Risks of prudential consolidation

In this section, transactions with other companies, which are excluded from the prudential scope but included in the consolidation period, are not eliminated. These figures conventionally include, in proportion to the interest held, the assets and liabilities of the banking, financial and instrumental companies jointly controlled and consolidated proportionally for supervisory purposes.

1.1 CREDIT RISK

Qualitative information

1. General aspects

The objectives and strategies of the Group's lending activities are geared towards the pursuit of an efficient relationship between the characteristics of the distribution model typical of cooperative credit, based on mutuality and localism, and effective monitoring of credit risk. The Group's lending activities are also integrated into the organisational model of the Cassa Centrale Group, which aims to ensure the application of uniform rules and criteria in the assumption and management of credit risk through progressive standardisation of instruments. To this end, the Group is subject to the guidance and coordination role of the Parent Company Cassa Centrale Banca, in particular for the specific areas highlighted in this section. These objectives and strategies are mainly targeted at:

- the achievement of a loan growth target that is sustainable and consistent with the defined risk appetite;
- an efficient selection of individual counterparties, through a complete and accurate analysis of their ability to meet their contractual commitments, aimed at containing credit risk;
- the diversification of credit risk, by identifying loans of limited amounts as the Group's natural operating area, as well as limiting the concentration of exposures to groups of connected customers or individual lines of business;

- the verification of the persistence of the creditworthiness of the financed clients as well as the performance monitoring of the individual reports carried out, with the help of the information system, both on regular positions as well as, and especially, on positions with anomalies and/or irregularities.

The commercial policy on credit facilities is oriented to the financial support of the local economy and is characterised by a high propensity to entertain trust and personal relationships with households, craft workers and small-medium enterprises in their territory of reference, as well as a particular operational vocation in favour of customer-shareholders. Moreover, no less important is the support function performed by the Group in favour of certain categories of economic and social operators who, due to their legal structure, their purely local scope of action or the reduced profitability they can bring to the Group, tend to be excluded from access to ordinary bank credit.

The significant share of lending represented by residential mortgages, offered according to different types of products, is evidence of the Group's particular focus on the household sector.

The micro and small businesses and the craft segment is another sector of particular importance for the Group. In this context, the Group's strategies are aimed at establishing medium-long term credit and service relationships through the offer of targeted products and services and personal and collaborative relationships with the same customers. The conventions or partnership agreements reached with the provincial Credit Guarantee Consortia or with other subjects working in support of the development of the local economic fabric are also included in this perspective.

The granting of credit is mainly directed towards the lines of business most consistent with the Group's credit policies, which, among other things, take account of the exposure to ESG risk factors (transition risks and physical risks), and with the positive economic dynamics that historically and currently characterise the territory in which the Group operates.

Please refer to the public disclosure ("Third Pillar"), provided at consolidated level, in accordance with the provisions of the "Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis" published by the EBA (EBA/GL/2020/07).

2. Policies for managing credit risk

2.1 Organisational factors

In carrying out its activities, the Group is exposed to the risk that receivables, for whatever reason, are not honoured by third party debtors at maturity and, therefore, losses must be recorded in the financial statements.

This risk is mainly found in the traditional activity of granting secured or unsecured loans recorded in the financial statements, as well as in similar transactions not recorded in the financial statements (mainly available margins on overdrafts, or endorsement credits) and the potential causes of default lie largely in the financial difficulties of the counterparty and to a lesser extent in reasons independent of the financial condition of the counterparty, such as country risk or operating risks. Activities other than traditional lending also further expose the Group to credit risk (e.g. subscription of non-speculative OTC derivative contracts).

Credit-policy guidelines defined by the Board of Directors of the Parent Company and reviewed periodically in light of the changing context, ensure consistent conduct and objectives within the Group through the definition of shared guidelines on criteria and methods for assessing and managing credit, also taking into account ESG risk factors. These guidelines are adopted by the Parent Company and the Affiliated Banks as part of the granting and renewal of credit lines.

The Group Regulation on the granting of loans uniformly defines the process for granting and managing performing loans, allowing the individual Affiliated Banks to autonomously determine the operational units required to perform the different stages of the process. This decision, deemed necessary in view of the decentralisation that characterises the Cassa Centrale Group, aims to enhance the unique characteristics of the different banks, both in terms of their commercial approach to the region and in terms of effective risk management.

In any case, and in compliance with regulatory provisions on Internal Audits, a clear division of roles and responsibilities is established between the commercial component, the functions responsible for identifying and managing positions classifiable as NPEs, and the Control Functions, including the Risk Management Department.

The geographical distribution of the Group as at 31 December 2024 is characterised by the presence of 15 territorial branches of the Parent Company and 65 Affiliated Banks with approximately 1,490 branches located throughout Italy.

The Credit Department is the body of the Parent Company responsible for designing the entire performing loan granting and management process, as well as the coordination and development of loans.

The allocation of tasks and responsibilities within this Department aims - to the extent that is feasible - to separate activities that are in conflict of interest, particularly through an opportune ranking of authorisation profiles in the IT field.

The NPL Department of the Parent Company is the central body with the following functions:

- coordination of the management of the group's non-performing loan portfolio by defining, implementing and monitoring the group's NPE strategy;
- definition of management processes of impaired loans;
- governance of the monitoring process of the entire loan portfolio, in order to promptly intercept the deterioration of credit quality and ensure the correct classification of customers between performing and non-performing loans.

In light of the provisions on the internal control system (contained in Circular no. 285/2013, Part One, Title IV, Chapter 3), the Group has adopted an organisational structure that is functional to achieving an efficient and effective credit risk management and control process consistent with the framework addressed by the Parent Company.

In addition to line controls, as first level activities, the functions outsourced to the Parent Company in charge of second-level and third-level controls with the collaboration of their respective contact persons are responsible for measuring and monitoring risk trends and for the correctness/adequacy of management and operational processes.

Control activity over credit risk management (as well as financial and operational risks) is carried out by the risk control function (Risk Management Department) - outsourced to the Parent Company - which makes operational use of its internal contacts at Group Banks.

Specifically, the function provides a preventive contribution in the definition of the RAF and related risk management policies, in setting operational limits to the assumption of the various types of risk.

Specifically, the function:

- releases its prior assessment of the Group Governance Rules, including the first-level internal regulations on the credit sector, in order to assess their consistency with the overall risk management and control framework it oversees. Excluded are documents for which the Function, given the nature of the contents and/or changes, does not see any impact on the framework it oversees. The evaluation is issued as described in the Group policy for managing internal regulations;
- carries out second-level checks on credit exposures;
- ensures systematic monitoring of the degree of exposure to risks, the adequacy of the RAF and the consistency between operations and the actual risks assumed by the Group with respect to the risk/return objectives and the related pre-established limits or thresholds;
- contributes to the preparation of the ICAAP-ILAAP report, in particular by verifying the appropriateness of the variables used and consistency with the risk objectives approved under the RAF;
- monitors compliance with regulatory requirements and prudential supervisory ratios, analysing and commenting on their characterisations and dynamics;

- formalises prior opinions on the consistency with the RAF of the most significant transactions, possibly acquiring the opinion of other functions involved;
- contributes to the organisational set up/maintenance and regulates the operational processes (credit, funding, finance, collection/payments, ICT) adopted for the management of the various types of risk, verifying the adequacy and effectiveness of the measures taken to remedy the deficiencies found;
- contributes to the definition/revision of quantitative risk measurement methodologies and, by interacting with the accounting function and referring to the system contributions for the preparation of the financial statements, contributes to a correct classification and evaluation of the company's activities.

2.2 Management, measurement and control systems

With regard to lending activities, the Credit Department and the NPL Department of the Parent Company ensure the supervision and coordination of the operational phases of the lending process, make decisions within the scope of their powers and carry out the controls for which they are responsible.

The entire credit management, control and classification process is governed by the Group Regulations on the granting of loans, Group Regulations for the classification and valuation of loans, Group Regulations for monitoring and first-level controls on credit risk and Group Regulations for the management of impaired loans, which regulate the criteria and methods for:

- assessment of creditworthiness;
- review of credit lines;
- classification of loans;
- definition of credit risk monitoring and control activities;
- management and recovery of loans classified as non-performing;
- determination of provisions on exposures classified as non-performing.

With reference to transactions with associated parties, the Group has adopted specific deliberative procedures aimed at controlling the risk that the proximity of certain parties to the decision-making centres of the same may compromise the impartiality and objectivity of decisions relating to the granting of loans. From this perspective, the Group is also equipped with recognition tools and an IT procedure aimed at supporting the correct and complete registration of associated parties. These references have been supplemented by updating, where deemed necessary, the resolutions, regulations and proxies already in use. The Group Regulation for the management of transactions with associated parties was also adopted.

In compliance with the provisions of the Group Regulations for the granting of loans, the Group Regulations for the classification and valuation of loans, the Group Regulations for monitoring and first-level controls on credit risk and the Group Regulations for the management of impaired loans, specific procedures were put in place for the investigation/deliberation, credit line revision and credit risk monitoring and control phases, classification of loans and definition of recovery strategies for impaired loans. All of the above phases apply qualitative and quantitative criteria to assess the creditworthiness of the counterparty.

Opportunities for enquiry/deliberation and the review of credit lines are regulated by a deliberative process involving the various competent bodies of the Subsidiary Banks or of the Parent Company, in accordance with the levels of delegation provided for in the respective individual Regulations, adopted in line with the Group Regulation on the granting of loans. The Parent Company can intervene on the loan granting practices of individual affiliated Banks in the event that they exceed the maximum credit limits permitted for individual counterparties, set by the Parent Company on a personalised basis for each individual bank, taking into account the own funds and creditworthiness of the same. These phases are supported by IT procedures that allow, at any time, the verification (by all credit management functions) of the status of each position already assigned or being assigned, as well as to reconstruct the process that led to the definition of the creditworthiness of the borrower (through the recording and archiving of the decision-making process and the types of analysis carried out).

During the investigation, for requests for significant amounts of credit facilities, the evaluation, including prospective, is structured on several levels and is based mainly on economic-financial data, on the personal knowledge of the counterparty and its guarantors, as well as verification of the degree of exposure to ESG risk factors. Different types of investigation/revision have been provided for; some are simplified, reserved for the investigation/revision of exposures of limited amount referring to parties who have a regular performance, others are ordinary, for the remaining type of practices.

The IT monitoring procedure adopted by the Group, using internal management information and data acquired from external providers, makes it possible to identify the various signs of anomalies among the customers with credit lines. The constant monitoring of the reports provided by the procedure therefore allows timely intervention in the event of anomalies and to take the appropriate measures to resolve them and/or correctly classify the individual position.

All fiduciary positions are also subject to periodic review, carried out for each individual counterparty/economic group to which they belong by the relevant structures per credit limit.

The credit chain is also monitored at every stage (granting, performance monitoring, classification, NPL management, collateral management, provisioning) by the Risk Management Department through a specific dedicated control framework based on preliminary quarterly risk assessments carried out on a massive scale through specific sets of dedicated key risk indicators, aimed at providing an initial measurement of the potential risk occurred from the individual scope, also taking into account the historical evolution (cross time comparison) of the same and its positioning with respect to the banking group (cross section comparison). This can also be used to detect possible risk drivers of the functional compartment to assess any single name analytical insights on the individual scopes in question to support the evidence of potential risk detected by the aforementioned massive models, and to launch in specific cases measures to strengthen the process components characterised by weaknesses.

In recent years, the revision of international prudential regulations as well as the evolution in the banking world have further pushed cooperative credit to develop methods and systems to control credit risk. With this in mind, a strong commitment has been maintained in the progressive development of IT tools for monitoring credit risk, which has led to the creation of an advanced system for assessing the creditworthiness of companies and the risk/return profile.

Consistently with the operational and governance specificities of the credit process, the management system has been designed with a view to achieving an adequate integration between quantitative information (Financial Statements, Central Credit Register, Relationship Performance, Socio-Demographic Profile) and qualitative information accumulated by virtue of the peculiar customer relationship and its roots in the territory.

For the purposes of determining the minimum capital requirement for credit risk, the Group adopts the standardised methodology and, in this context, has decided to:

- make use of Rating models, developed on a statistical basis and using credit scoring methodology, for the measurement and evaluation of creditworthiness and related provisions for ordinary and interbank customers²⁶;
- adopt the standardised methodology for the calculation of the capital requirement for credit risk (Pillar I).

Moreover, with reference to the internal capital and liquidity adequacy assessment process (ICAAP-ILAAP) provided for in Pillar II of the new prudential regulations and in order to determine internal capital, the Group has opted for the adoption of simplified methodologies.

In addition, stress tests were carried out in accordance with the management methods established by the Parent Company.

With reference to credit risk, stress tests are carried out as follows: in particular, the stress exercise is intended to measure the change in the exposures of the Regulatory portfolios due to the application of an adverse scenario compared to a baseline scenario.

²⁶ The rating models developed are subject to annual review by the Parent Company. During the year, under the supervision of the Risk Management Department of the Parent Company, credit risk models were refined and updated. For more details see paragraph 2.3.

The aggregates subjected to stress analysis are:

- gross volumes of performing loans to customers;
- rate of deterioration of performing loans to customers and related write-offs;
- coverage ratio of performing and impaired loans to customers;
- fair value of the HTCS securities portfolio.

For the identification of the two market scenarios, reference is made to the information provided by an external provider also based on the main assumptions established by the European Banking Authority for the purpose of the 2018 Stress Test.

With reference to operations on the securities markets, the Finance Departments of the Group's Banks carry out valuation and control activities both during the purchase of financial instruments and at subsequent times when the composition of the segment by asset class or IAS/IFRS portfolio is periodically analysed, the level of specific risk or counterparty risk is determined and compliance with the limits and powers assigned is verified.

2.3 Methods of measuring expected losses

IFRS 9 introduced, for instruments measured at amortised cost and fair value through other comprehensive income (other than equity instruments), a model based on the expected loss concept, replacing the incurred loss approach provided by IAS 39.

The changes introduced by IFRS 9 are characterised by a prospective view which, in given circumstances, may require the immediate recognition of all expected losses over the life of a loan. In particular, unlike IAS 39, it is necessary to recognise, immediately and regardless of the presence or not of a so-called trigger event, the initial amounts of expected future losses on own financial assets, and this estimate should be continuously adjusted also in consideration of the counterparty credit risk. In order to prepare this estimate, the impairment model should not only consider past and present data, but also information relating to future events.

This forward-looking approach makes it possible to reduce the impact of the losses and enable loan adjustments to be posted in proportion to the increase in risks, allowing entities to avoid overloading the income statement on the occurrence of loss events and reducing the pro-cyclical effect.

The scope of application of the new model for measuring expected losses on loans and securities subject to impairment adopted refers to financial assets (loans and debt securities), commitments to disburse funds, guarantees and financial assets not subject to measurement through FVTPL. For credit exposures falling within the scope of application²⁷ of the new model, the accounting standard provides for the allocation of individual relationships to one of three stages based on changes in credit quality, defined on an expected credit loss model at 12 months or full life if a significant increase in risk (lifetime) has occurred. In particular, there are three different categories reflecting the credit quality deterioration model from initial recognition, which make up the stage allocation:

- in stage 1, positions that do not present, at the valuation date, a significant increase in credit risk (SICR, specific or collective in nature) or which can be identified as 'low credit risk';
- in stage 2, positions that, at the reference date, present a significant increase or that do not present the characteristics to be identified as 'low credit risk';
- in stage 3, non-performing positions²⁸.

The estimate of expected loss using the Expected Credit Loss (ECL) criteria, for the classifications defined above, takes place on the basis of the allocation of each position into the three reference stages, as detailed below:

²⁷ The application segments are ordinary customers, interbank segment and securities portfolio.

²⁸ Non-performing loans relate to: impaired past due and/or overrun, 'unlikely to pay' and non-performing exposures.

- stage 1, expected loss must be calculated on a time horizon of 12 months²⁹;
- stage 2, expected loss must be calculated by considering all the losses that are expected to be incurred over the entire life of the financial asset (lifetime expected loss): therefore, with respect to the calculation performed in accordance with IAS 39, there is a shift from the estimate of incurred loss over a time horizon of 12 months to an estimate that takes into consideration the entire residual life of the loan; in addition, given that IFRS 9 requires entities to also adopt forward-looking estimates for the calculation of the lifetime expected loss, it is necessary to consider the scenarios connected with macro-economic variables (e.g. GDP, unemployment rate, inflation, etc.) which, through a macro-economic statistical model, are able to estimate the forecasts over the residual duration of the loan;
- stage 3, the expected loss must be calculated with a lifetime perspective, but unlike stage 2 positions, the calculation of the expected lifetime loss is carried out using an analytical valuation methodology; for certain exposures classified as non-performing or unlikely to pay of less than EUR 100,000, for impaired past due and/or overrun exposures and for off-balance sheet exposures, the calculation of the expected lifetime loss is normally carried out using a flat-rate analytical methodology.

Specific risk parameters (PD, LGD and EAD) were defined from an IFRS 9 perspective to be used for impairment calculations (stage allocation and ECL); to improve the coverage of the ratios not originally rated after 2006, the default rates made available by the Bank of Italy were used³⁰. It should be underlined that the Group calculates the ECL based on the allocation stage, per individual position, with reference to on-balance and off-balance sheet credit exposures.

For more details, please refer to these Explanatory Notes, Part A Accounting policies, section 5 “Other aspects” part d) “Risks, uncertainties, impacts and methods of application of the international accounting standards in the current context”.

²⁹ The calculation of the Expected Loss for the purposes of calculating collective bad debt provisions for these exposures takes place on a 12-month point in time basis.

³⁰ During 2018, the Bank of Italy made available a historical series of default rates starting in 2006, broken down by a number of drivers (region, amount range, economic sector, etc.) and built on a broader definition of non-performing positions only.

Loans to ordinary customers

The steps common to all the approaches identified for the construction of the PD to be used, concern:

- 12-month PD estimate developed on a statistical basis through the construction of a Group model, appropriately segmented according to the type of counterparty, the geographic area in which the Group operates and the creditworthiness (in terms of the customer's rating), the customer's geographic area and the classification of economic activities (ATECO);
- the inclusion of forward-looking scenarios occurs through the application of outputs defined by appropriate "Satellite Models" to the PD Point in Time (so-called PiT) and definition of a set of possible scenarios incorporating current and future macroeconomic conditions;
- the transformation of 12-month PD into lifetime PD, in order to estimate a PD term structure along the entire residual life class of loans, takes place using a Markov process.

The steps common to all the approaches identified for the construction of the LGD to be used, concern:

- a Group model, appropriately segmented according to the characteristics of the counterparty (segment, geographic area, sectors of economic activity and exposure range) or by exposure subject to evaluation (type of guarantee, degree of loan, product type) which is formed of two parameters: the Danger Rate (DR) and the NPL LGD (LGS);
- the IFRS 9 Danger Rate parameter (an expression of the probability of "curing" a position to default as well as possible increases in exposure in the migration to worse credit states) is estimated by observing the resolution process of all default cycles recently concluded (point in time) and those concluded 'through the cycle'. The parameter is also formed of a factor of variation of the exposure between impairment states or its return to performing status. The Danger Rate parameter, like PD, is conditioned to the economic cycle, based on possible future scenarios, so as to incorporate assumptions about future macroeconomic conditions;
- the nominal LGS parameter (complement to one of the recoveries obtained in respect of the exposure of a position classified as non-performing) is calculated as the arithmetic mean of the nominal LGS, segmented by type customer, geographic area and type of guarantee, and then discounted based on the average recovery time observed for clusters of ratios consistent with the nominal non-performing LGD. This component is subject to influence from the economic cycle and prospective scenarios through specific satellite models.

The EAD IFRS 9 model adopted differs according to the type of technical macro-form and the type of counterparty. For the estimation of the EAD parameter over the lifetime period of the instalment positions, it is necessary to consider the contractual repayment flows, for each year of the remaining life of the position. The model also considers the credit conversion factor (CCF) used to determine the EAD for off-balance entries (see commitments, margins and credit commitments) or a factor of increase in the use of products with no margin (K factor).

With reference to stage allocation, the Group made provision for the allocation of the individual on-balance and off-balance sheet positions, in one of the three stages listed below, based on the following criteria:

- in stage 1, positions with generation date of less than three months from the measurement date or that do not present any of the characteristics described in the following point;
- in stage 2, positions which, at the reference date, present at least one of the characteristics described below:
 - positions that at the valuation date show an increase in lifetime PD, compared to that at origination, greater than a certain threshold differentiated according to specific drivers such as risk segment, ageing and residual maturity of the position and geographic area. To this threshold, for certain groups of particularly risky customers, a back-stop of 300% is applied in line with the guidelines issued by the ECB in the "Dear CEO" letter and in the EBA stress test manual;
 - positions belonging to certain particularly risky geo-sectoral clusters, identified by an IFRS 9 PD higher than 20% on average, or identified "collectively" as at risk;

- positions relating to counterparties that at the valuation date are classified to 'watch list', i.e. 'performing under observation';
 - presence of a 'forborne performing' attribute;
 - presence of past due amounts and/or overrun by more than 30 days;
 - counterparty positions classified as performing and identified as POCI (Purchased or Originated Credit Impaired);
 - positions that do not have the characteristics to be identified as low credit risk at the valuation date (or with a 12-month PD pursuant to IFRS 9 less than 0.3%);
 - positions whose hedging, determined by the presence of overlays (Group or Individual), is particularly high above a defined threshold of consistency with stage 1 classification.
- in stage 3, non-performing loans. These concern individual positions relating to counterparties classified in one of the impaired loan categories set forth by Bank of Italy Circular no. 272/2008 and subsequent updates. Falling into this category are impaired past due and/or overrun, 'unlikely to pay' and impaired exposures.

Loans between banks or to financial intermediaries

For transactions in the interbank segment, the PD parameter is provided by an external provider that is differentiated on the basis of a rating that defines the creditworthiness of the counterparty; these default probabilities are extrapolated from listed credit spreads or listed bonds. For institutions without quoted credit spreads, the PD parameter is always provided by an external provider, but calculated on the basis of comparable logics based on external information (financial statements, external ratings, economic sector).

The LGD parameter is set prudentially by basing the regulatory level for IRB at 45%.

For EAD, similar logic is applied as for the ordinary customer model.

The Group has provided for the allocation of individual positions to the 3 stages, in the same way as to that provided for loans to customers. The application of the concept of low credit risk is defined on performing positions which at the valuation date have the following characteristics: no lifetime PD at the origination date and PD Point in Time less than 0.3%. Stage 2 is defined on the basis of PD changes between origination and reporting of 200% (as the backstop identified on the basis of the AQR-stress test manuals in the presence of a low default portfolio).

Securities portfolio

The PD parameter is provided by an external provider based on two approaches:

- timeliness: the default probability term structure for each issuer is obtained from quoted credit spreads or quoted bonds;
- comparable: where market data does not allow for the use of specific credit spreads, because they are absent, illiquid or insignificant, the default probability term structure associated with the issuer is obtained using proxy methodology. This methodology provides for the reclassification of the rated issuer to a comparable issuer for which specific credit spreads are available or to a reference cluster for which a representative credit spread can be estimated.

The LGD parameter is assumed to be constant over the entire time period of the financial activity under analysis and is obtained on the basis of four factors: issuer and instrument type, instrument ranking, instrument rating and country of origin of the issuing entity. The minimum level starts from a value of 45%, with subsequent increases to take into account the different degrees of seniority of the securities.

The Group has allocated the individual tranches for the purchase of securities in 3 stages.

In the first creditworthiness stage the following are placed: tranches that can be classified as low credit risk (i.e. that have PD as at the reporting date below 0.26%) and those that at the valuation date have not experienced a significant increase in credit risk with respect to the time of purchase.

In the stage 2, tranches are placed, which on the valuation date present an increase in credit risk compared to the date of purchase.

In the third and final stage, tranches are placed, for which the ECL is calculated following the application of a 100% probability (i.e. in default).

Organisational and process impacts

In terms of organisational and process impacts, the approach to impairment introduced by IFRS 9 required a major effort to collect and analyse data; this in particular, in order to identify the exposures that have suffered a significant increase in credit risk with respect to the date of their assumption and, consequently, must be traced back to a measurement of the expected lifetime loss, as well as the support of significant investments for the evolution of the valuation models in use and related operating processes for the incorporation of the risk parameters produced in credit operations.

The introduction of forward-looking logic in accounting valuations also determines the need to revise credit policies, for example, with reference to customer selection parameters (in light of the different sectorial or geographical risk profiles) and collateral (orienting the preference of types exposed to lower volatility and sensitivity to the economic cycle). Similarly, it appeared necessary to adjust the company's rules on the granting of credit (and related delegated powers) taking into account, among other things, the different costs of medium/long-term technical forms in a scenario in which, as mentioned above, any migration to stage 2 entails the transition to an expected lifetime loss.

With regard to credit monitoring processes and controls, some consolidation interventions are also planned, based, inter alia, on the implementation of automated and proactive processes as well as the refinement of early warning and trigger tools that have been introduced by the Group in order to identify the early symptoms of a potential step-up and to activate the resulting initiatives in good time.

Finally, significant interventions concern second-level controls by the Risk Management Department, which is responsible, among other things, under current regulations, for the validation of internal risk measurement systems not used for regulatory purposes and for monitoring the substantial correctness of the indications deriving from the use of these models.

With reference to the main management control processes, in the knowledge that the cost of risk is one of the most important variables in determining current and prospective economic results, particular attention is paid to the necessary consistency of the assumptions underlying the estimates of the multi-annual plan and the annual budget (developed on the basis of expected scenarios relating to macroeconomic and market factors), the ICAAP-ILAAP and RAF and those taken as reference for the determination of accounting provisions.

The project activities coordinated by the relevant technical structures of Cassa Centrale Banca have allowed the improvement of the declination of the methodological solutions for the correct estimation of the risk parameters for the calculation of the ECL and the management of the staging process according to IFRS 9 standards, as well as the development of the underlying technical/instrumental support by the relevant structures. It should be noted that, in relation to the introduction of the new definition of default as well as to some primary contextual elements (i.e. the growing sophistication of the Banking Group, elements deriving from the current macroeconomic and geopolitical environment, etc.), the Group has launched a project to estimate again all the credit models of the accounting framework (i.e. IFRS 9 and macroeconomic models) as well as management such as monitoring and acceptance (i.e. rating systems) released in December 2024.

The Group has defined the guidelines relating to the adoption of organisational and process solutions aimed at enabling the correct and integrated gradual use of the rating system in the main business processes (during investigation, pricing, monitoring and evaluation), as well as for the implementation of the related monitoring and control system.

In general, with regard to the impacts of the variables and the specific cases that led to a significant increase in credit risk (SICR) and on the measurement of expected losses, please refer to what has already been explained in Part A.

2.4 Techniques for mitigating credit risk

Risk mitigation techniques include those instruments that contribute to reducing the loss that the Group would incur if the counterparty were to default; they include, in particular, guarantees and certain contracts that lead to a reduction in credit risk.

In accordance with the credit objectives and policies defined by the Board of Directors, the credit risk mitigation technique most commonly used by the Group is the acquisition of different types of collateral, personal and financial guarantees.

These forms of guarantee are required depending on the results of the assessment of the creditworthiness of customers and the type of loan requested by the same. As part of the credit granting and management process, though the guarantees are given an ancillary function in the evaluation of the conditions of economic/financial sustainability of the counterparty, the presence of mitigating factors is encouraged against counterparties with a less favourable credit rating or certain types of medium/long-term operations.

With reference to activities within securities markets, given that the composition of the portfolio is oriented towards primary issuers with high creditworthiness, no particular forms of credit risk mitigation are currently required.

The main concentration of collateral (mainly mortgages) is related to loans to customers in the retail and small business sectors (medium and long term).

In recent years, a decisive impetus has been given to the implementation of structural and process configurations suitable to ensure full compliance with the organisational, economic, legal and information requirements of prudential regulations on credit risk mitigation (hereinafter also “CRM”) techniques.

The Group has decided to use the following CRM tools:

- financial collateral (pledges) involving cash and a restricted list of financial instruments traded on regulated markets, provided through agreements for the pledging and transfer of ownership and repurchase agreements;
- mortgage collateral, represented by residential and non-residential mortgages;
- personal guarantees represented by sureties, given by authorities authorised to issue state commitments (e.g. SME Guarantee Fund, SACE, ISMEA) by supervised financial intermediaries.

Furthermore, the project to standardise the technical forms of guarantee at all Affiliated Banks led to the definition of a single taxonomy of guarantees, valid and binding for the entire Group, thus laying the foundations for a standardised definition of their acquisition and management processes.

Financial (pledges) and mortgage collateral

With reference to the acquisition, evaluation and management of the main forms of collateral, the company's policies and procedures ensure that such collateral is always acquired and managed in such a way as to ensure that it is enforceable in all relevant jurisdictions and can be enforced within a reasonable time.

In this context, the Group complies with the following inherent regulatory principles:

- the non-dependence of the value of the property to a significant extent on the creditworthiness of the debtor;
- the independence of the party (natural person or valuation company) appointed to carry out the estimate of the property at a value no greater than the market value, as well as its adequate level of professionalism;
- the presence of an insurance policy against the risk of damage to the property covered by the guarantee as well as any other insurance coverage from time to time required by current laws;
- the implementation of adequate monitoring and oversight of the value of the property (and, by extension, of the portfolio of acquired guarantees), in order to verify the existence over time of the requirements that allow for less capital absorption on the guaranteed exposures;

- observance of a prudential ratio between the requested credit facility and the value of the real estate pledged as collateral (loan-to-value) and between the requested credit facility and the value/cost of the investment (loan-to-cost);
- the use of the property and the adequate ability of the debtor to repay, also measured from a forward-looking perspective.

In order to ensure uniformity in the methods and valuation criteria adopted by professionals appointed to perform the appraisals to estimate the value of the real estate guarantees, the Group uses a single tool to support the estimate process, also providing for analyses of the quality of the expert reports.

The process of monitoring the value of the property under warranty is carried out using statistical methods. Performing or impaired credit exposures are subject to statistical revaluation at least every twelve months or possibly longer in certain cases, linked to the presence of loan-to-value, loan-to-cost, the riskiness of the counterparty, the type of property, etc.

For significant performing exposures (i.e. amounts in excess of EUR 3 million or 5% of the Group Bank's own funds) the valuation is, in any case, reviewed by an independent expert at least every 3 years.

For impaired exposures, the Group provides for a new appraisal for both residential and non-residential properties at the time of transition to non-performing status and an annual update for positions exceeding specific exposure thresholds.

With regard to financial collateral, the Group, based on the policies and processes for the management of credit risk and operational limits and proxies defined, directs the acquisition of the same exclusively to those financial assets for which the company is able to calculate the fair value on a periodic basis (i.e. whenever there is evidence that there has been a significant decrease in fair value).

The Group has also put in place specific safeguards and procedures to ensure the following aspects relevant to the prudential eligibility of the guarantees in question:

- absence of a material positive correlation between the value of the financial collateral and the creditworthiness of the debtor;
- specific safeguards to guarantee the external separation (between the depositary's assets and the asset under guarantee) and the internal separation (between assets belonging to different parties and deposited with third parties) if the asset under guarantee is held with third parties;
- residual duration of the guarantee not less than that of the exposure.

The monitoring of financial collateral, in the case of pledging of securities, takes place through periodic monitoring of the issuer/issue rating and the fair value assessment of the financial instrument as collateral. The adjustment of guarantees for which the market value is lower than the resolution value net of discount is required.

Personal guarantees

For personal guarantees, the Group uses CRM techniques only for sureties protected by government guarantees as these are issued by authorised issuers (e.g. SME Guarantee Fund, SACE, ISMEA, or other authorities in the EU framework such as FEI). Moreover, they may provide access to benefits in terms of capital weighting on sureties provided by supervised financial intermediaries.

Netting agreements

The Group adopts bilateral netting agreements for contracts relating to OTC derivatives and long-term settlement transactions concluded with primary counterparties through the Parent Company which, while not giving rise to any novation, provide for the formation of a single obligation, corresponding to the net balance of all the transactions included in the agreement itself, so that, in the event of default by the counterparty due to insolvency, bankruptcy, liquidation or any other circumstance, the Group has the right to receive or the obligation to pay only the net amount of the positive and negative values at current market prices of the individual transactions offset. Regulation (EU) no. 575/2013, with reference to OTC derivatives and long-term settlement transactions, places such agreements within the framework of other bilateral netting agreements between an institution and its

counterparty, i.e. written agreements between a bank and a counterparty under which the reciprocal credit and debit positions generated by such contracts are automatically offset so as to establish a single net balance, without any novative effects.

The effect of reducing counterparty risk (and, therefore, lower capital absorption) is recognised provided that the agreement has been communicated to the supervisory authority and the Group complies with the specific requirements set out in the regulations.

In this respect, the Group adopts a net-based counterparty risk management system in accordance with the bilateral offset provision, with no novation effect, present in contracts for OTC derivatives and long-term settlement transactions. It is planned to adopt these instruments also when absorbing capital, bearing in mind that the new contracts all pass through the Parent Company.

The legal right to offset is not legally enforceable at any time but only in the event of insolvency or bankruptcy of the counterparties. As a result, the conditions in paragraph 42 of IAS 32 for offsetting positions in the financial statements are not met as further detailed in IAS 32 in paragraph AG38.

The Group has entered into margining agreements that provide for the daily exchange of margins (guarantees) between the counterparties to the contract on the basis of the valuation of outstanding positions according to market values observed on the reference day (i.e. the working day immediately prior to the valuation day). The value of the collateral transferred from one party to the other takes into account the net value of the outstanding positions, the value of any collateral previously lodged by either party and the security value (minimum transfer level). The system is managed by the Parent Company for exposures to affiliates, while for exposures to institutional market counterparties it is the latter that performs the role of guarantee calculation agent.

3. Impaired credit exposures

3.1 Management strategies and policies

Impaired financial assets include loans which, following the occurrence of events happening after their disbursement, show objective evidence of possible impairment.

On the basis of the current regulatory framework, supplemented by internal implementing provisions, impaired financial assets are classified according to their critical status into three categories:

- non-performing loans: credit exposures to counterparties in a state of insolvency (even if not judicially established), or in substantially comparable situations, regardless of the existence of any guarantees given to protect the exposures and the loss forecasts made;
- unlikely to pay: credit exposures, other than bad loans, for which it is considered unlikely that, without recourse to protective actions, such as enforcement of guarantees, the debtor will fully meet its credit obligations in principal and/or interest, regardless of the presence of any overdue and unpaid amounts/rates;
- impaired past due and/or overrun: credit exposures, other than those classified as non-performing or unlikely to pay, which are past due and/or overrun. The overall exposure to a debtor shall be recognised as impaired past due and/or overrun, in accordance with Delegated Regulation (EU) no. 171/2018 of the European Commission of 19 October 2017, if the amount of principal, interest or fees unpaid at the date it was due exceeds both of the following thresholds: a) absolute limit of EUR 100 for retail exposures and of EUR 500 for non-retail exposures; b) relative limit of 1% given by the ratio of the total amount past due and/or overrun at group level to the total amount of all credit exposures to the same debtor.

The classification of positions among impaired assets is carried out automatically, upon the occurrence of the binding cases provided for by the reference regulations, or by means of evaluation and deliberation processes on individual counterparties, triggered automatically or manually, upon the identification of certain early warning signs and/or triggers, defined in the Group Regulation for the Classification and Valuation of Loans. Similarly, the return to performing status of impaired exposures occurs automatically when the binding cases provided for by the reference regulations are no longer met, or through valuation and

resolution processes, triggered manually by the structures responsible for managing impaired loans, in compliance with the “monitoring period” and “cure period” time frames provided for by the reference regulations.

The Group model for the management of impaired loans involves management and coordination by the Parent Company and the direct management of the impaired loans portfolio by the individual affiliated banks. In the context of this model, the Parent Company:

- prepares and implements the Group’s NPE Strategy and related operational plan;
- defines and updates internal regulations and processes related to the classification and valuation of loans;
- defines and updates the internal regulations and processes related to the management and recovery of impaired loans.

Each affiliated bank, through its own structures, conducts the following activities:

- the development and implementation its own individual NPE Strategy and related operational plan in compliance with the objectives defined by the Parent Company;
- the classification of individual exposures;
- the definition of the most appropriate management and/or recovery strategies for the individual positions;
- the activities of determining the provisions on the individual impaired credit lines.

The model used to determine provisions for impaired loans provides, depending on their characteristics, for the use of a specific analytical valuation or a flat-rate analytical valuation.

The amount of the adjustment to the value of each loan is determined as the difference between its carrying amount at the time of measurement (amortised cost) and the present value of expected future cash flows, calculated by applying the effective interest rate to the ratio at the time immediately prior to classification in one of the risk categories of impaired loans.

The specific analytical valuation is carried out at the time of classification among impaired credit exposures and is reviewed quarterly in accordance with the criteria and methods identified in the Group Regulations for the classification and valuation of loans.

The flat-rate analytical valuation is carried out and updated quarterly on the basis of the estimate of the expected loss calculated by the impairment model introduced by IFRS9.

3.2 Write-offs

The write-off is an event that results in an accounting derecognition and may occur before the legal action for recovery of the impaired debt is completed and does not necessarily imply a waiver of the legal right to recover the debt. The write-off may cover the entire amount of an impaired exposure or a portion of it and corresponds to:

- the reversal, in full or in part, of the writedowns, as a contra-entry to the gross value of the impaired exposure;
- for any portion exceeding the amount of the writedowns, to the impairment loss of the impaired exposure recognised directly in the income statement.

Any recoveries from collections in excess of the gross value of the impaired exposure following the write-off are recognised in the income statement under write-backs.

In general, the write-off applies to impaired exposures for which:

- the occurrence of events has been found to lead to the irretrievability of all or part of the impaired exposure;
- all or part of the impaired exposure was deemed reasonably unrecoverable;

- it was considered appropriate, in the context of settlement agreements with the debtor, to waive all or part of the impaired debt.

The specific processes and criteria for the application of write-offs are governed at group level in accordance with specific internal regulation.

3.3 Purchased or originated credit-impaired financial assets

In accordance with IFRS 9, loans considered impaired from the time of initial recognition are referred to as Purchased or Originated Credit Impaired Assets (POCI). These loans, if they fall within the scope of application of impairment pursuant to IFRS 9, are measured by setting aside - from the date of initial recognition - provisions to cover losses covering the entire residual life of the loan (ECL lifetime). Since these are impaired loans, they will be initially booked as part of stage 3.

The identification and accounting treatment of the POCI are processes governed by the Group Regulations for the management of purchased or originated credit-impaired financial assets.

In this regard, it should be noted that the acquisition or origination of impaired financial assets is not part of the Group's typical business model, so the above mentioned cases are to be considered residual.

4. Financial assets subject to commercial renegotiations and forbore exposures

The category of 'forborne non-performing exposures' does not constitute a separate and additional category of impaired exposures to those previously mentioned (non-performing, unlikely to pay and impaired past due and/or overrun exposures), but only a sub-set of each of them, which includes on-balance exposures and commitments to disburse funds that are forborne ('forborne exposures'), if both of the following conditions are met:

- the debtor is in a situation of economic-financial hardship that does not allow him/her to fully comply with the contractual commitments in his/her debt agreement and that puts him/her in a state of 'credit deterioration' (classification in one of the categories of impaired exposures: non-performing, unlikely to pay, impaired past due and/or overrun);
- the Group agrees to amend the terms and conditions of that agreement, or to refinance it in full or in part, to enable the debtor to comply with it (there would have been no such forbearance if the debtor had not been in a state of hardship).

Forborne exposures to debtors in a condition of economic-financial hardship that has not reached a state of credit impairment are instead classified in the category of forborne performing exposures and are included among the other performing exposures, or among the performing past due exposures if they meet the requirements for this classification.

As provided for in the Group Regulations, once it has been ascertained that a concession measure meets the requirements of forbearance, the forborne exposure attribute involves:

- forborne performing if both of the following conditions occur:
 - the debtor was classified as ordinary performing or under observation before the forbearance was granted;
 - the debtor was not reclassified as an impaired counterparty as a result of the forbearance granted;
- forborne non-performing if at least one of the following conditions occurs:
 - the debtor was classified as impaired prior to the granting of the forbearance;
 - the debtor has been reclassified among impaired exposures, due to the forbearance granted, including the assumption that (in addition to other regulatory cases), as a result of the valuation made, significant impairment losses will emerge.

In order for a credit exposure classified as forborne non-performing to change to forborne performing, the following conditions must be met simultaneously:

- at least 12 months have passed since the last of the following events (known as cure period):
 - granting of the forbearance measure on impaired credit exposures;
 - classification as impaired of the counterparty;
 - end of the grace period set forth by the forbearance measure on impaired credit exposures;
- absence of the conditions to classify the debtor as impaired;
- absence of overdue payments on all the debtor's existing relationships with the Group;
- the debtor's presumed ability, on the basis of documentary evidence, to fully meet its contractual obligations under the repayment terms determined by the forbearance; this prospective ability to repay is deemed to have occurred when both of the following conditions are met:
 - the debtor has reimbursed, through the regular payments made on the renegotiated terms, an amount equal to the amount that had expired (or was subject to derecognition) at the time of granting the forbearance;
 - the debtor has complied with the post-forbearance payment terms over the last 12 months.

A credit exposure classified as forborne performing becomes forborne non-performing when even one of the following conditions occurs:

- the conditions for the classification of the counterparty as impaired loans are met;
- occurrence of conditions of reduced financial obligation as defined by Article 178 of EU Regulation no. 575/2013 (DO>1%);
- the credit exposure was previously classified as impaired with a forborne non-performing attribute and subsequently, if the conditions were met, the funded counterparty has been upgraded to performing status under observation (with the simultaneous transfer of the line in question to forborne performing), but: i) one of the credit lines of the financed counterparty has matured, during its stay in forborne performing, more than 30 days past due; or ii) the counterparty holding the line in question, during its stay in forborne performing, is subject to further forbearance measures.

For a credit exposure classified as forborne performing to lose this attribute, resulting in a return to only an ordinary performing or performing under observation status, the following conditions must be met simultaneously:

- at least 24 months have passed since the assignment of the forborne performing attribute (so-called probation period);
- the debtor has made, after the application of the forbearance, regular payments of principal or interest on the credit line subject to the forbearance for a total amount equal to at least 5% of the residual principal debt recorded at the time of application of the forbearance; these payments must have been made at such times and in such a way as to ensure full compliance with the contractual obligations for a period, even if not continuous, equal to at least half of the probation period;
- the debtor does not have any past due loan exceeding 30 days in relation to any of the relationships existing with the respective Group bank at the end of the probation period.

A. Credit quality

A.1. Impaired and performing credit exposures: amounts, value adjustments, trend and economic distribution

A.1.1 Prudential consolidation – Distribution of financial assets by maturity bands (book values)

PORTFOLIOS/ RISK STAGES	Stage 1			Stage 2			Stage 3			Purchased or originated credit-impaired		
	Between 1 day and 30 days	Between 30 and 90 days	Over 90 days	Between 1 day and 30 days	Between 30 and 90 days	Over 90 days	Between 1 day and 30 days	Between 30 and 90 days	Over 90 days	Between 1 day and 30 days	Between 30 and 90 days	Over 90 days
1. Financial assets measured at amortised cost	258	-	-	208	79	8	20	33	121	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for disposal	-	-	-	-	-	-	-	-	-	-	-	-
Total 31/12/2024	258	-	-	208	79	8	20	33	121	-	-	-
Total 31/12/2023	188	3	-	198	102	13	16	30	130	-	-	-

A.1.2 Prudential consolidation – Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total allocations

REASONS/ RISK STAGES	Writedowns											
	Financial assets classified in stage 1						Financial assets classified in stage 2					
	Loans to banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs	Loans to banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs
INITIAL TOTAL ADJUSTMENTS	-	182	2	-	7	177	-	543	-	-	37	506
Increases from purchased or originated credit-impaired financial assets	-	4	-	-	-	4	-	1	-	-	-	1
Derecognitions other than write-offs	-	(6)	(1)	-	-	(7)	-	(25)	-	-	(2)	(23)
Net value adjustments/write-backs due to credit risk	-	10	1	-	(1)	12	-	(30)	-	-	(2)	(28)
Contractual changes without derecognitions	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	(2)	-	-	-	(2)	-	(3)	-	-	-	(3)
Other changes	-	4	-	-	-	4	-	(1)	-	-	-	(1)
FINAL TOTAL ADJUSTMENTS	-	192	2	-	6	188	-	485	-	-	33	452
Collection recoveries in relation to financial assets subject to write-offs	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in the income statement	-	-	-	-	-	-	-	(1)	-	-	-	(1)

REASONS/ RISK STAGES	Writedowns										
	Financial assets classified in stage 3						Purchased or originated credit- impaired financial assets				
	Loans to banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs
INITIAL TOTAL ADJUSTMENTS	-	1,808	-	-	1,712	96	16	-	-	16	-
Increases from purchased or originated credit- impaired financial assets	-	-	-	-	-	-	X	X	X	X	X
Derecognitions other than write-offs	-	(241)	-	-	(235)	(6)	(1)	-	-	(1)	-
Net value adjustments/write-backs due to credit risk	-	30	-	-	29	1	(5)	-	-	(5)	-
Contractual changes without derecognitions	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	(135)	-	-	(134)	(1)	(1)	-	-	(1)	-
Other changes	-	(18)	-	-	(8)	(10)	-	-	-	-	-
FINAL TOTAL ADJUSTMENTS	-	1,444	-	-	1,364	80	9	-	-	9	-
Collection recoveries in relation to financial assets subject to write-offs	-	7	-	-	7	-	-	-	-	-	-
Write-offs recognised directly in the income statement	-	(7)	-	-	(7)	-	-	-	-	-	-

REASONS/RISK STAGES	Total allocation for commitments to disburse funds and financial guarantees given				Total
	Stage 1	Stage 2	Stage 3	Commitments to disburse funds and financial guarantees given Purchased or originated credit impaired	
INITIAL TOTAL ADJUSTMENTS	49	43	55	-	2,698
Increases from purchased or originated credit-impaired financial assets	-	-	-	-	5
Derecognitions other than write-offs	-	-	-	-	(274)
Net value adjustments/write-backs due to credit risk (+/-)	(2)	(4)	(15)	-	(15)
Contractual changes without derecognitions	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	-	-	-	(141)
Other changes	(2)	(3)	(2)	-	(22)
FINAL TOTAL ADJUSTMENTS	45	36	38	-	2,251
Collection recoveries in relation to financial assets subject to write-offs	-	-	-	-	7
Write-offs recognised directly in the income statement	-	-	-	-	(8)

With regard to trade receivables, assets arising from contracts and receivables implicit in leasing contracts, it should be noted that the Group does not use the simplified method, as required by IFRS 9, para. 5.5.15, for the valuation to cover losses.

A.1.3 Prudential consolidation – Financial assets, commitments to disburse funds and financial guarantees given: transfers between the various stages of credit risk (gross and nominal values)

PORTFOLIOS/RISK STAGES	Gross values / nominal value					
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
	From Stage 1 to Stage 2	From Stage 2 to Stage 1	From Stage 2 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	2,649	1,839	321	117	183	6
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets held for disposal	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees given	783	396	14	12	24	-
Total 31/12/2024	3,432	2,235	335	129	207	6
Total 31/12/2023	3,341	3,496	327	212	256	5

For more information about the update to the IFRS 9 model, which may, among other things, influence the transfer of financial assets between different risk stages with particular relevance for the sector of performing loans, please refer to Part A, Section 5 – Other aspects under paragraph “Classification and measurement of loans to customers based on the general impairment model IFRS 9”.

The Table contents show information about transfers between the different credit risk stages of the gross value of loans measured at amortised cost, in place at the reporting date of the financial statements, which constitute new liquidity granted through public guarantee mechanisms issued in the context of COVID-19.

PORTFOLIOS/RISK STAGES	Gross values/nominal value					
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
	From Stage 1 to Stage 2	From Stage 2 to Stage 1	From Stage 2 to Stage 3	From Stage 3 to Stage 2	From Stage 1 to Stage 3	From Stage 3 to Stage 1
A. Loans measured at amortised cost	175	195	56	6	25	3
B. Loans measured at fair value through other comprehensive income	-	-	-	-	-	-
Total 31/12/2024	175	195	56	6	25	3
Total 31/12/2023	262	460	59	10	34	-

A.1.4 Prudential consolidation - On-balance and off-balance-sheet credit exposures to banks: gross and net values

TYPES OF LOANS/ VALUES	Gross exposure					Writedowns and total allocations					Net exposure	Total partial write-offs*
	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired				
A. ON-BALANCE-SHEET CREDIT EXPOSURES												
A.1 ON DEMAND	108	108	-	-	-	-	-	-	-	-	108	-
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	108	108	-	X	-	-	-	-	X	-	108	-
A.2 OTHER	1,429	1,425	-	-	-	-	-	-	-	-	1,429	-
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Impaired past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	1,429	1,425	-	X	-	-	-	-	X	-	1,429	-
of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	1,537	1,533	-	-	-	-	-	-	-	-	1,537	-
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	1,129	798	-	X	-	-	-	-	X	-	1,129	-
TOTAL (B)	1,129	798	-	-	-	-	-	-	-	-	1,129	-
TOTAL (A+B)	2,666	2,331	-	-	-	-	-	-	-	-	2,666	-

* Value to be displayed for information purposes

A.1.5 Prudential consolidation – On-balance and off-balance-sheet credit exposures to customers: gross and net values

TYPES OF LOANS/ VALUES	Gross exposure					Writedowns and total allocations					Net exposure	Total partial write-offs*
		Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired		
A. ON-BALANCE-SHEET CREDIT EXPOSURES												
a) Non-performing	504	X	-	502	1	467	X	-	465	1	37	249
of which: forborne exposures	138	X	-	137	1	131	X	-	130	1	7	59
b) Unlikely to pay	1,227	X	-	1,219	8	960	X	-	953	7	267	20
of which: forborne exposures	629	X	-	623	6	522	X	-	516	6	107	18
c) Impaired past due exposures	64	X	-	64	-	26	X	-	26	-	38	-
of which: forborne exposures	2	X	-	2	-	2	X	-	2	-	-	-
d) Performing past due exposures	594	262	330	X	-	41	5	36	X	-	553	-
of which: forborne exposures	34	-	34	X	-	3	-	3	X	-	31	-
e) Other performing exposures	79,624	75,124	4,392	X	12	639	189	449	X	1	78,985	-
of which: forborne exposures	629	3	620	X	6	54	-	54	X	-	575	-
TOTAL (A)	82,013	75,386	4,722	1,785	21	2,133	194	485	1,444	9	79,880	269
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Impaired	99	X	-	99	-	38	X	-	38	-	61	-
b) Performing	13,946	12,890	1,048	X	-	81	44	37	X	-	13,865	-
TOTAL (B)	14,045	12,890	1,048	99	-	119	44	37	38	-	13,926	-
TOTAL (A+B)	96,058	88,276	5,770	1,884	21	2,252	238	522	1,482	9	93,806	269

* Value to be displayed for information purposes

At 31 December 2024, existing loans that constitute new liquidity granted through public guarantee mechanisms issued in the context of COVID-19 amounted to EUR 3,218 million, compared to EUR 4,469 million at 31 December 2023. See below for the gross exposure and total writedowns, grouped by risk stage and by “purchased or originated credit-impaired”, split into the different categories of impaired/performing assets.

TYPES OF LOANS/VALUES	Gross exposure					Writedowns and total allocations					Net exposure
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
A. Non-performing loans	57	-	-	57	-	47	-	-	47	-	10
B. Unlikely to pay	106	-	-	106	-	60	-	-	60	-	46
C. Impaired past due loans	8	-	-	8	-	2	-	-	2	-	6
D. Performing past due loans	25	4	21	-	-	2	-	2	-	-	23
E. Performing loans	3,168	2,817	351	-	-	35	12	23	-	-	3,133
TOTAL (A+B+C+D+E)	3,364	2,821	372	171	-	146	12	25	109	-	3,218

A.1.6 Prudential consolidation – On-balance-sheet credit exposures to banks: trend in gross impaired exposures

As at the reporting date, there were no impaired cash credit exposures to banks.

A.1.6bis Prudential consolidation – On-balance-sheet credit exposures to banks: trend in gross forborne exposures broken down by credit quality

As at the reporting date, there were no impaired cash credit exposures to banks.

A.1.7 Prudential consolidation – On-balance-sheet credit exposures to customers: trend in gross impaired exposures

DESCRIPTIONS/CATEGORIES	Non-performing	Unlikely to pay	Impaired past due exposures
A. INITIAL GROSS EXPOSURE	628	1,462	61
- of which: exposures transferred but not derecognised	20	34	2
B. INCREASES	230	522	67
B.1 transfers from performing exposures	74	373	61
B.2 transfers from purchased or originated credit impaired	-	1	-
B.3 transfers from other categories of impaired exposures	130	24	3
B.4 contractual changes without derecognitions	-	-	-
B.5 other increases	26	124	3
C. DECREASES	354	757	64
C.1 transfers to performing exposures	-	120	13
C.2 write-offs	102	40	-
C.3 collections	153	317	13
C.4 gains from disposal	48	43	2
C.5 losses from disposal	5	4	-
C.6 transfers to other categories of impaired exposures	3	123	31
C.7 contractual changes without derecognitions	-	3	-
C.8 other decreases	43	107	5
D. GROSS FINAL EXPOSURE	504	1,227	64
- of which: exposures transferred but not derecognised	47	119	8

The item “C.8 other decreases” includes, among other items, the gross amount of the exposure sold exceeding the sum of the realisable value of transactions for the sale of impaired loans to third parties during the year, mainly attributable to the sales of non-performing loans in 2024. For details, please see the description in the Report on Operations, paragraph 3.4. Transfers of non-performing positions.

A.1.7bis Prudential consolidation – Cash credit exposures to customers: trend in gross forborne exposures broken down by credit quality

DESCRIPTIONS/QUALITY	Forborne exposures: impaired	Forborne exposures: performing
A. INITIAL GROSS EXPOSURE	947	727
- of which: exposures transferred but not derecognised	18	24
B. INCREASES	250	348
B.1 transfers from non-forborne performing exposures	52	177
B.2 transfers from forborne performing exposures	69	X
B.3 transfers from forborne impaired exposures	X	78
B.4 transfers from non-forborne impaired exposures	69	-
B.5 other increases	60	93
C. DECREASES	428	412
C.1 transfers to non-forborne performing exposures	X	198
C.2 transfers to forborne performing exposures	78	X
C.3 transfers to forborne impaired exposures	X	69
C.4 write-offs	43	-
C.5 collections	188	122
C.6 gains from disposal	41	5
C.7 losses from disposal	3	1
C.8 other decreases	75	17
D. GROSS FINAL EXPOSURE	769	663
- of which: exposures transferred but not derecognised	69	66

A.1.8 Prudential consolidation – Impaired cash credit exposures to banks: trend in total adjustments

As at the reporting date, there were no impaired cash credit exposures to banks.

A.1.9 Prudential consolidation – Impaired cash credit exposures to customers: trend in total adjustments

DESCRIPTIONS/CATEGORIES	Non-performing		Unlikely to pay		Impaired past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. INITIAL TOTAL ADJUSTMENTS	588	138	1,208	684	28	1
- of which: exposures transferred but not derecognised	16	1	20	10	-	-
B. INCREASES	236	72	419	159	27	3
B.1 value adjustments from purchased or originated credit-impaired	-	X	-	X	-	X
B.2 other value adjustments	102	12	339	112	23	-
B.3 losses from disposal	5	1	4	2	-	-
B.4 transfers from other categories of impaired exposures	101	35	11	1	3	3
B.5 contractual changes without derecognitions	-	-	-	-	-	-
B.6 other increases	28	24	65	44	1	-
C. DECREASES	357	79	667	321	29	2
C.1 value write-backs from valuations	10	3	48	26	2	-
C.2 value write-backs due to collection	127	30	184	75	3	1
C.3 gains from disposal	23	5	13	7	-	-
C.4 write-offs	102	24	40	19	-	-
C.5 transfers to other categories of impaired exposures	2	-	99	38	14	1
C.6 contractual changes without derecognitions	-	-	-	-	-	-
C.7 other decreases	93	17	283	156	10	-
D. FINAL TOTAL ADJUSTMENTS	467	131	960	522	26	2
- of which: exposures transferred but not derecognised	43	11	94	49	3	1

Item "C.7 Other decreases" includes, among other items, value adjustments related to transactions subject to derecognition during the year, mainly attributable to the sales of non-performing loans during 2024.

A.2 Classification of exposures on the basis of external and internal ratings

A.2.1 Prudential consolidation – Distribution of financial assets, commitments to disburse funds and financial guarantees given by external rating classes (gross values)

EXPOSURES	External rating classes						Without rating	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. FINANCIAL ASSETS MEASURED AT AMORTISED COST	2,006	687	21,773	1,845	977	74	46,233	73,595
- Stage 1	1,991	687	21,704	1,716	759	24	40,186	67,067
- Stage 2	15	-	69	129	210	37	4,262	4,722
- Stage 3	-	-	-	-	8	13	1,764	1,785
- Purchased or originated credit impaired	-	-	-	-	-	-	21	21
B. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	1,454	145	8,081	10	-	-	54	9,744
- Stage 1	1,454	145	8,081	10	-	-	54	9,744
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
C. FINANCIAL ASSETS HELD FOR DISPOSAL	-	-	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (A+B+C)	3,460	832	29,854	1,855	977	74	46,287	83,339
D. COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES ISSUED	422	24	776	1,109	336	9	12,158	14,834
- Stage 1	413	24	755	1,068	278	3	11,147	13,688
- Stage 2	9	-	21	41	57	6	913	1,047
- Stage 3	-	-	-	-	1	-	98	99
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (D)	422	24	776	1,109	336	9	12,158	14,834
Total (A+B+C+D)	3,882	856	30,630	2,964	1,313	83	58,445	98,173

The Group adopts the assessments of the Moody's and CRIF rating agencies on the reported portfolios, the latter with reference to exposures to companies.

Moody's	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6
Global long-term rating scale	Aaa, Aa	A	Baa	Ba	B	Caa, Ca, C
Global short-term rating scale	P-1	P-2	P-3	NP		

Crif	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6
Long-term rating scale – Corporate	AAA, AA	A	BBB	BB	B	CCC, CC, C, DS
Long-term rating scale – SME	SME 1, SME 2		SME3	SME 4	SME 5, SME 6	SME 7, SME 8

A.2.2 Prudential consolidation – Distribution of financial assets, commitments to disburse funds and financial guarantees given by internal rating classes (gross values)

At the end of the reporting period, the Group does not use internal ratings in the calculation of capital requirements.

A.3 Breakdown of secured credit exposures by type of guarantee

A.3.1 Prudential consolidation – On-balance and off-balance sheet secured credit exposures to banks

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)								Total (1)+(2)		
							Credit derivatives					Credit commitments					
			Real estate - Mortgages	Real estate - Financing for leases	Securities	Other collateral	CLN	Other derivatives				General governments	Banks	Other financial corporations		Other subjects	
								Central counterparties	Banks	Other financial corporations	Other subjects						
1. SECURED ON-BALANCE-SHEET CREDIT EXPOSURES:	9	9	-	-	7	-	-	-	-	-	-	-	-	-	-	2	9
1.1 totally secured	9	9	-	-	7	-	-	-	-	-	-	-	-	-	-	2	9
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. SECURED OFF-BALANCE-SHEET CREDIT EXPOSURES:	73	73	-	-	73	-	-	-	-	-	-	-	-	-	-	-	73
2.1 totally secured	73	73	-	-	73	-	-	-	-	-	-	-	-	-	-	-	73
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- of which impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

A.3.2 Prudential consolidation – On-balance and off-balance sheet secured credit exposures to customers

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)								Total (1)+(2)	
							Credit derivatives				Credit commitments					
			Real estate - Mortgages	Real estate - Financing for leases	Securities	Other collateral	CLN	Other derivatives				General governments	Banks	Other financial corporations		Other subjects
								Central counterparties	Banks	Other financial corporations	Other subjects					
1. SECURED ON-BALANCE-SHEET CREDIT EXPOSURES:	43,955	42,063	28,101	513	245	794	-	-	-	-	-	5,638	1	322	5,110	40,724
1.1 totally secured	39,123	37,420	27,742	511	207	689	-	-	-	-	-	3,033	1	216	4,912	37,311
- of which impaired	1,495	279	184	9	1	4	-	-	-	-	-	44	-	3	34	279
1.2 partially secured	4,832	4,643	359	2	38	105	-	-	-	-	-	2,605	-	106	198	3,413
- of which impaired	167	48	4	-	-	-	-	-	-	-	-	34	-	1	2	41
2. SECURED OFF-BALANCE-SHEET CREDIT EXPOSURES:	6,268	6,222	247	11	51	197	-	-	-	-	-	583	5	92	4,233	5,419
2.1 totally secured	4,795	4,765	239	8	31	134	-	-	-	-	-	317	2	64	3,970	4,765
- of which impaired	60	36	4	-	-	1	-	-	-	-	-	4	-	1	26	36
2.2 partially secured	1,473	1,457	8	3	20	63	-	-	-	-	-	266	3	28	263	654
- of which impaired	8	6	-	-	-	1	-	-	-	-	-	2	-	-	2	5

A.4 Prudential consolidation – Financial and non-financial assets obtained through the enforcement of guarantees received

	Credit exposure derecognised	Gross value	Writedowns	Book value	
					of which obtained during the year
A. TANGIBLE ASSETS	53	71	25	46	-
A.1. For business use	8	8	3	5	-
A.2. For investment purposes	27	35	10	25	-
A.3. Inventories	18	28	12	16	-
B. EQUITY SECURITIES AND DEBT SECURITIES	-	-	-	-	-
C. OTHER ASSETS	-	-	-	-	-
D. NON-CURRENT ASSETS AND GROUPS OF ASSETS HELD FOR DISPOSAL	-	-	-	-	-
D.1. Tangible assets	-	-	-	-	-
D.2. Other assets	-	-	-	-	-
Total 31/12/2024	53	71	25	46	-
Total 31/12/2023	74	76	23	53	-

At the end of the reporting period, the Group does not have any assets that are not readily convertible into cash that are deemed to be significant (see IFRS 7 para. 38 letter b)).

B. Distribution and concentration of credit exposures

B.1 Prudential consolidation – Distribution by sector of on-balance and off-balance-sheet credit exposures to customers

EXPOSURES/COUNTERPARTIES	General governments		Financial companies		Financial companies (of which: insurance companies)	
	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns
A. ON-BALANCE-SHEET CREDIT EXPOSURES						
A.1 Non-performing	-	1	-	1	-	-
of which: forborne exposures	-	-	-	1	-	-
A.2 Unlikely to pay	-	-	-	6	-	-
of which: forborne exposures	-	-	-	2	-	-
A.3 Impaired past due exposures	-	1	-	-	-	-
of which: forborne exposures	-	-	-	-	-	-
A.4 Performing exposures	31,250	6	950	47	169	-
of which: forborne exposures	1	-	3	-	-	-
Total (A)	31,250	8	950	54	169	-
B. OFF-BALANCE-SHEET CREDIT EXPOSURES						
B.1 Impaired exposures	-	-	-	1	-	-
B.2 Performing exposures	305	1	462	48	145	-
Total (B)	305	1	462	49	145	-
Total (A+B) 31/12/2024	31,555	9	1,412	103	314	-
Total (A+B) 31/12/2023	34,607	7	1,434	116	345	1

EXPOSURES/COUNTERPARTIES	Non-financial corporations		Households	
	Net exposure	Total writedowns	Net exposure	Total writedowns
A. ON-BALANCE-SHEET CREDIT EXPOSURES				
A.1 Non-performing	26	292	11	173
of which: forborne exposures	5	80	2	50
A.2 Unlikely to pay	164	569	103	385
of which: forborne exposures	63	310	44	210
A.3 Impaired past due exposures	16	9	22	16
of which: forborne exposures	-	1	-	1
A.4 Performing exposures	22,191	494	25,147	133
of which: forborne exposures	295	37	307	20
Total (A)	22,397	1,364	25,283	707
B. OFF-BALANCE-SHEET CREDIT EXPOSURES				
B.1 Impaired exposures	52	33	9	4
B.2 Performing exposures	11,274	30	1,824	2
Total (B)	11,326	63	1,833	6
Total (A+B) 31/12/2024	33,723	1,427	27,116	713
Total (A+B) 31/12/2023	33,451	1,670	26,930	904

B.2 Prudential consolidation – Distribution by territory of on-balance and off-balance sheet credit exposures to customers

EXPOSURES/ GEOGRAPHIC AREAS	Italy North West		Italy North East		Italy Centre		Italy South and the Islands	
	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns
A. ON-BALANCE-SHEET CREDIT EXPOSURES								
A.1 Non-performing	15	114	13	260	4	38	5	55
A.2 Unlikely to pay	64	153	101	572	52	93	50	142
A.3 Impaired past due exposures	8	6	16	11	5	3	9	6
A.4 Performing exposures	11,206	162	27,173	326	31,512	105	4,998	85
Total (A)	11,293	435	27,303	1,169	31,573	239	5,062	288
B. OFF-BALANCE-SHEET CREDIT EXPOSURES								
B.1 Impaired exposures	13	6	33	24	6	3	9	5
B.2 Performing exposures	3,922	9	7,604	17	1,210	50	1,113	4
Total (B)	3,935	15	7,637	41	1,216	53	1,122	9
Total (A+B) 31/12/2024	15,228	450	34,940	1,210	32,789	292	6,184	297
Total (A+B) 31/12/2023	14,988	498	34,833	1,484	35,009	364	6,078	348

B.3 Prudential consolidation – Distribution by territory of on-balance and off-balance sheet credit exposures to banks

EXPOSURES/GEOGRAPHIC AREAS	Italy North West		Italy North East		Italy Centre		Italy South and the Islands	
	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns
A. ON-BALANCE-SHEET CREDIT EXPOSURES								
A.1 Non-performing	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-	-	-	-
A.4 Performing exposures	355	-	41	-	730	-	-	-
Total (A)	355	-	41	-	730	-	-	-
B. OFF-BALANCE-SHEET CREDIT EXPOSURES								
B.1 Impaired exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	415	-	349	-	320	-	-	-
Total (B)	415	-	349	-	320	-	-	-
Total (A+B) 31/12/2024	770	-	390	-	1,050	-	-	-
Total (A+B) 31/12/2023	526	1	502	1	995	-	2	-

B.4 Large exposures

ITEMS	Total 31/12/2024	Total 31/12/2023
A) AMOUNT OF LARGE EXPOSURES		
a1) book value	41,364	46,198
a2) weighted value amount	436	569
B) NUMBER OF POSITIONS OF LARGE EXPOSURES	4	6

C. Securitisation transactions

Securitisation transactions are not recognised, in which banks in the same prudential consolidation are the originator and the total liabilities issued (e.g. ABS securities, loans in the warehousing phase) by the special purpose vehicles are subscribed at the time of issue by one or more companies in the same prudential consolidation.

Qualitative information

“Own” securitisation transactions

Securitisation of loans allows the procurement of significant financial assets as an alternative to direct debt, with the possibility of reducing risk assets for the purposes of solvency ratios, without removing the Originator from the management of the relationship with the customer.

The transaction, therefore, is characterised by the use of a funding instrument on international markets to finance the Group's loans and is part of the expectations of supporting the development of the local economy, in line with the company's strategic guidelines.

In 2024, no new own securitisation transactions were carried out.

However, in previous years, the Group participated, alongside other credit institutes, in multi-originator securitisation transactions involving non-performing loans arising from contracts with customers resident in Italy.

The transactions were mainly carried out with the aim of improving the quality of the assets of the originator banks in that the criteria for full derecognition of the assets in compliance with the provisions of IFRS 9 were met.

Third party securitisation transactions

At the end of the reporting period, the Group held about EUR 41 million in securities arising from the third party securitisation transactions described below.

The securitisation transactions reported in the following table “C.2 Prudential consolidation – Exposures arising from the main third-party securitisation transactions broken down by type of securitised assets and by exposure type” include approximately EUR 36 million arising from the multi-originator transactions, reported in the previous section on “own” securitisations, for the portion referring to the underlying assets sold by other credit institutions not belonging to the Group.

Third-party exposures other than those mentioned above consist of unrated securities issued by the special purpose vehicle Lucrezia Securitisation S.r.l. as part of the Institutional Guarantee Fund interventions, broken down as follows:

- the securities with ISIN code IT0005216392 were issued by the special purpose vehicle on 3 October 2016 for an initial countervalue of approximately EUR 211 million following the securitisation of the portfolios of bad loans acquired as part of the crisis resolution intervention of Banca Padovana in A.S. and of BCC Iripina in A.S. These securities have a 10-year maturity and pay interest quarterly in arrears;
- the securities with ISIN code IT0005240749 were issued by the special purpose vehicle on 27 January 2017 for an initial countervalue of approximately EUR 78 million following the securitisation of the portfolios of bad loans acquired as part of the BCC Crediveneto solution. These securities have a 10-year maturity and pay interest quarterly in arrears;
- the securities with ISIN code IT0005316846 were issued by the special purpose vehicle on 1 December 2017 for an initial countervalue of approximately EUR 32 million following the securitisation of the portfolios of bad loans acquired as part of the BCC Teramo solution. These securities have a 10-year maturity and pay interest quarterly in arrears.

The assets underlying these securities are composed of impaired loans, largely fully secured by properties. These securities are included under item 40 of the Group consolidated balance sheet. Financial assets measured at amortised cost, sub-item “b) Loans to customers”.

As far as the economic aspects are concerned, the securities involved the recognition of interest income for a negligible amount, at an annual rate of 1%.

It should be noted that in relation to the above securitisation transactions, the Group does not play any role as servicer and does not hold any interest in the special purpose vehicle.

Moreover, in compliance with the provisions on organisational requirements in the same prudential provisions, with regard to the assumption of positions towards the transactions in question, the Group must comply with the obligations of due diligence and monitoring.

In accordance with the above mentioned due diligence and monitoring requirements for the Group, other than the assignor or the promoter, which takes positions as regards securitisation, the following should be noted.

As the Investor Group, before taking positions in each securitisation transaction and for as long as they are held in the portfolio, an analysis is carried out on each transaction and the exposures underlying it, in order to gain full knowledge of the risks to which the Group is exposed or would be exposed.

In particular, the Group has verified:

- the maintenance by the assignor, on an ongoing basis, of the net economic interest;
- the provision of relevant information to perform due diligence;
- the structural characteristics of the securitisation that can have a significant impact on the performance of positions towards securitisation (e.g. contractual clauses, priority in redemptions, rules for the allocation of cash flows and related triggers, credit enhancement instruments, liquidity facilities, definition of default used, rating, historical analysis of the performance of similar positions);
- the risk characteristics of the assets underlying the securitisation positions;
- the communications made by the assignor/promoter regarding the due diligence carried out on the securitised assets, the quality of any collateral covering them, etc.

With reference to monitoring, in accordance with the provisions on the need for information to be assessed regularly at least once a year, as well as in the presence of significant changes in the performance of the transaction, the Group has put in place processes and procedures for the acquisition of information on the assets underlying each transaction with reference to:

- nature of exposures, incidence of positions past due for more than 30, 60, 90 days;
- default rates;
- early repayments;
- exposures subject to enforcement procedures;
- nature of the collateral;
- creditworthiness of debtors;
- sectoral and geographical diversification;
- frequency of distribution of loan to value rates.

In relation to the above, periodic information flows have been agreed centrally with the servicer, to be made available to Group Banks that have subscribed to securities of this type, to ensure their compliance with the regulatory requirement that they must be “constantly aware of the composition of the portfolio of securitised exposures” pursuant to Article 253 of the CRR.

The periodic flows received from the Institutional Guarantee Fund are transmitted to all Banks of the Group and supplement the Investor Report produced by the Special Purpose Vehicle.

Information of a quantitative nature

C.1 Prudential consolidation – Exposures deriving from primary “own” securitisation operations subdivided by type of securitised asset and type of exposure

TYPE OF SECURITISED ASSETS/EXPOSURES	On-balance exposures					
	Senior		Mezzanine		Junior	
	Book value	Value adjustments/ write-backs	Book value	Value adjustments/ write-backs	Book value	Value adjustments/ write-backs
A. Subject of full derecognition from the financial statements	85	(2)	-	-	1	-
IMPAIRED ASSETS	85	(2)	-	-	1	-
- Non-performing	85	(2)	-	-	1	-
- Unlikely to pay	-	-	-	-	-	-
- Past due	-	-	-	-	-	-
PERFORMING ASSETS	-	-	-	-	-	-
B. Subject of partial derecognition from the financial statements	-	-	-	-	-	-
IMPAIRED ASSETS	-	-	-	-	-	-
- Non-performing	-	-	-	-	-	-
- Unlikely to pay	-	-	-	-	-	-
- Past due	-	-	-	-	-	-
PERFORMING ASSETS	-	-	-	-	-	-
C. Not derecognised from the financial statements	-	-	-	-	-	-
IMPAIRED ASSETS	-	-	-	-	-	-
- Non-performing	-	-	-	-	-	-
- Unlikely to pay	-	-	-	-	-	-
- Past due	-	-	-	-	-	-
PERFORMING ASSETS	-	-	-	-	-	-

At the end of the reporting period, there are also credit lines for a total of EUR 2.8 million.

Off-balance-sheet

As at 31 December 2024, the scenario was not present.

C.2 Prudential consolidation – Exposures deriving from primary “third party” securitisation operations subdivided by type of securitised asset and type of exposure

TYPE OF UNDERLYING ASSETS/EXPOSURES	On-balance exposures					
	Senior		Mezzanine		Junior	
	Book value	Value adjustments/ write-backs	Book value	Value adjustments/ write-backs	Book value	Value adjustments/ write-backs
IMPAIRED ASSETS	41	-	-	-	-	-
- Non-performing	41	-	-	-	-	-
- Unlikely to pay	-	-	-	-	-	-
- Past due	-	-	-	-	-	-
PERFORMING ASSETS	-	-	-	-	-	-

At the end of the reporting period, there are also credit lines in third-party securitisation transactions for a total of EUR 1.5 million.

Off-balance-sheet

As at 31 December 2024, the scenario was not present.

C.3 Prudential consolidation – Securitisation special purpose vehicles

SECURITISATION NAME/SPV NAME	Registered office	Consolidation	ASSETS			LIABILITIES		
			Loans	Debt securities	Other	Senior	Mezzanine	Junior
Buonconsiglio I - Marmarole SPV S.r.l.	Trento	Not consolidated	66	-	-	33	-	49
Buonconsiglio II - Nepal S.r.l.	Milan	Not consolidated	-	-	-	-	-	46
Buonconsiglio 3 S.r.l.	Milan	Not consolidated	74	-	-	83	21	5
Buonconsiglio 4 S.r.l.	Conegliano (TV)	Not consolidated	65	-	-	58	17	6
Lucrezia Securitisation S.r.l. - Padovana/Irpina	Rome	Not consolidated	4	-	-	90	-	-
Lucrezia Securitisation S.r.l. - Crediveneto	Rome	Not consolidated	4	-	-	32	-	-
Lucrezia Securitisation S.r.l. - Castiglione	Rome	Not consolidated	2	-	-	31	-	-

C.4 Prudential consolidation – Not consolidated securitisation special purpose vehicles

SECURITISATION NAME/SPV NAME	Amounts at 31/12/2024							
	Accounting portfolios of assets		Total assets (A)	Accounting portfolios of liabilities	Total liabilities (B)	Net book value (C=A-B)	Maximum exposure to risk of loss (D)**	Difference between exposure to risk of loss and book value (E=D-C)
	AC*	OFV*						
Buonconsiglio I - Marmarole SPV S.r.l.	23	-	23		-	23	23	-
Buonconsiglio II - Nepal S.r.l.	-	1	1		-	1	1	-
Buonconsiglio 3 S.r.l.	64	3	67		-	67	67	-
Buonconsiglio 4 S.r.l.	33	2	35		-	35	35	-
Lucrezia Securitisation S.r.l. - Padova/Irpina	3	-	3		-	3	3	-
Lucrezia Securitisation S.r.l. - Crediveneto	2	-	2		-	2	2	-
Lucrezia Securitisation S.r.l. - Castiglione	1	-	1		-	1	1	-

* AC = assets measured at amortised cost; OFV = Financial assets mandatorily measured at fair value

** The maximum exposure to the risk of loss is calculated by adding off-balance sheet exposures to the net book value.

C.5 Prudential consolidation – Servicer activities - own securitisations: collections of securitised receivables and reimbursements of securities issued by the securitisation special purpose vehicle

During the year, the Group did not carry out any servicer activities in own securitisation transactions in which the assets sold were derecognised from the financial statements pursuant to IFRS 9.

C.6 Prudential consolidation – Consolidated securitisation special purpose vehicles

As at 31 December 2024, the scenario was not present.

D. Disposal transactions

A. FINANCIAL ASSETS SOLD AND NOT FULLY DERECOGNISED

Qualitative information

With regard to the qualitative nature of these assets and related liabilities, reference should be made to the contents of table D.1. Prudential consolidation – Financial assets sold and fully recognised and associated financial liabilities: book values.

Information of a quantitative nature

D.1. Prudential consolidation – Financial assets sold and fully recognised and associated financial liabilities: book values

	Financial assets sold and fully recognised				Associated financial liabilities		
	Book value	of which: subject of securitisation transactions	of which: subject of repurchase agreements	of which impaired	Book value	of which: subject of securitisation transactions	of which: subject of repurchase agreements
A. FINANCIAL ASSETS HELD FOR TRADING	-	-	-	X	-	-	-
1. Debt securities	-	-	-	X	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	814	-	814	-	818	-	818
1. Debt securities	814	-	814	-	818	-	818
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. FINANCIAL ASSETS MEASURED AT AMORTISED COST	1,187	-	1,187	-	1,197	-	1,197
1. Debt securities	1,187	-	1,187	-	1,197	-	1,197
2. Loans	-	-	-	-	-	-	-
Total 31/12/2024	2,001	-	2,001	-	2,015	-	2,015
Total 31/12/2023	1,741	-	1,741	-	1,739	-	1,739

The transactions shown above are mainly related to repos.

D.2. Prudential consolidation – Financial assets sold and partially recognised and associated financial liabilities: book values

At the end of the reporting period, the Group did not hold financial assets attributable to this scenario.

D.3. Prudential consolidation – Disposals with liabilities with reimbursement exclusively on assets sold and not fully derecognised: fair value

	Fully recognised	Partially recognised	Total	
			31/12/2024	31/12/2023
A. FINANCIAL ASSETS HELD FOR TRADING	-	-	-	-
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
4. Derivatives	-	-	-	-
B. OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE	-	-	-	-
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
C. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-	-	-	-
1. Debt securities	-	-	-	-
2. Loans	-	-	-	-
D. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	814	-	814	1,045
1. Debt securities	814	-	814	1,045
2. Equities	-	-	-	-
3. Loans	-	-	-	-
E. FINANCIAL ASSETS MEASURED AT AMORTISED COST (FAIR VALUE)	1,187	-	1,187	696
1. Debt securities	1,187	-	1,187	696
2. Loans	-	-	-	-
Total financial assets	2,001	-	2,001	1,741
Total associated financial liabilities	2,015	-	X	X
Net amount 31/12/2024	(14)	-	(14)	X
Net amount 31/12/2023	2	-	X	2

B. FINANCIAL ASSETS SOLD AND FULLY DERECOGNISED WITH RECOGNITION OF CONTINUING INVOLVEMENT

At the end of the reporting period, the Group had not sold any financial assets that had been fully derecognised, and the related continuing involvement should be recognised in the financial statements.

C. FINANCIAL ASSETS SOLD AND FULLY DERECOGNISED

Qualitative information

Transfer transactions to mutual investment funds with allocation of the relevant units to the assignor

During the year, no sales to mutual investment funds were carried out.

Non-performing loans assigned without recourse

During the year, the Group assigned without recourse non-performing loans (UTP and NPL) for a gross value of approximately EUR 270 million (of which 47 million in counterparties that became non-performing during the year) and assigned to an AIF loans classified as UTP and non-performing for a gross value of approximately EUR 13 million.

De-risking activity continued in 2024, primarily through execution of multioriginator true sale transactions organised by the Parent Company. For more details, please see the description in the Report on Operations, paragraph 3.4. Transfers of non-performing positions.

D. COVERED BOND TRANSACTIONS

At the end of the reporting period, the Group had no covered bond transactions.

E. Prudential consolidation - Credit risk measurement models

At the end of the reporting period, the Group does not use internal portfolio models to measure credit risk exposure. For more specific considerations, please refer to 2.2 Management, measurement and control systems (Section 2 – Risks of prudential consolidation).

1.2 MARKET RISK

1.2.1 INTEREST RATE RISK AND PRICE RISK – REGULATORY TRADING BOOK

Qualitative information

A. General aspects

The Planning Department of the Parent Company and the Finance Department of the Affiliated Banks plan the investment choices relating to the trading book in accordance with the guidelines shared within the Group through the periodic portfolio management strategy documents and in compliance with any amounts of investment defined by the Board of Directors.

During the year, the management strategy for the proprietary portfolio established that the trading book activity was limited to financial instruments held for intermediation with banking and non-banking customers and to derivatives entered into for hedging risks not otherwise included in the banking book.

B. Management processes and measurement methods relative to interest rate and price risk

Interest rate risk - Regulatory trading book

The measurement of interest rate risk on the regulatory trading book, related to the securities component, is supported by the daily reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR, Value at Risk). This is calculated using Riskmetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk). The calculation of volatilities and correlations is made by assuming a future distribution of risk factor returns equal to the historical distribution over a given time horizon.

To support the definition of the structure of its internal limits, important strategic choices, or specific analyses, simulations of purchases and sales of financial instruments within its asset allocation are available, obtaining an updated calculation of the new risk exposure in terms of both VaR and Modified Duration.

The monitoring of market risk exposure is also carried out using the Montecarlo fat-tailed method, which uses a procedure to simulate the returns of risk factors on the basis of past volatility and correlation data, generating 10,000 random scenarios consistent with the market situation. An additional measure introduced to assess market risk is the expected shortfall, calculated with both the historical method and the Montecarlo method.

Additional risk statistics derived from VaR (such as Marginal VaR, Incremental VaR and Conditional VaR), measures of sensitivity of income instruments (Modified Duration) and analyses linked to the evolution of correlations between the various risk factors present are monitored through reporting.

The analyses are available at different levels of detail: on the entire trading book and within the latter on groupings by type of instrument (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate), up to the individual securities present.

Of particular importance is also the backtesting of the VaR model used daily, carried out on the entire portfolio of securities owned by comparing the VaR – calculated at 99% and over the daily time period – with the actual changes in the theoretical market value of the portfolio.

Daily stress tests are available on the theoretical market value of the own securities portfolio through which changes in the theoretical countervalue of the trading book and the various groupings of instruments (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate) present in it are studied with respect to certain market scenarios. As part of risk management strategies, various scenarios on the bond and equity front are monitored for a complete and improved analysis of the portfolio.

The reports described are monitored by the Risk Management Department, the Planning Department of the Parent Company, and Finance Department of the Affiliated Banks, and periodically submitted to the Board of Directors.

In addition, an automatic email alert is active if the attention thresholds and/or limits in the internal regulations are exceeded.

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

Price risk - Regulatory trading book

In line with the section on interest rate risk - regulatory trading book, the measurement of price risk on the regulatory trading book is supported by the reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR). This is calculated using Riskmetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (interest rate risk, equity risk, foreign exchange risk and inflation risk).

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

Information about the VaR calculations for the securities component of the regulatory trading book during the course of 2024 is reported below:

(Figures rounded to nearest euro unit)

VaR 31/12/2024	Average VaR	Minimum VaR	Maximum VaR
-	-	-	-

As at 31 December 2024, there were no securities in the regulatory trading book, according to the strategic guidelines established by the Parent Company.

Information of a quantitative nature

1. Regulatory trading book: Breakdown by residual duration (re-pricing date) of financial assets and liabilities in cash as well as financial derivatives

Euro

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	Beyond 10 years	Indefinite maturity
1. CASH ASSETS	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. CASH LIABILITIES	-	-	-	-	-	-	-	-
2.1 Repurchase agreements	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. FINANCIAL DERIVATIVES								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	36	6	10	10	-	-	-
+ Short positions	-	36	6	10	10	-	-	-
- Other derivatives								
+ Long positions	52	1,177	56	7	88	14	4	-
+ Short positions	11	237	140	175	905	14	4	-

Currencies other than the Euro

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	Beyond 10 years	Indefinite maturity
1. CASH ASSETS	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. CASH LIABILITIES	-	-	-	-	-	-	-	-
2.1 Repurchase agreements	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. FINANCIAL DERIVATIVES								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	117	8	1	-	-	-	-
+ Short positions	-	27	7	2	2	-	-	-

2. Regulatory trading book: breakdown of exposures in equities and stock market indices for the main countries of the listed market

At the end of the reporting period, the Group did not hold financial assets attributable to this scenario.

3. Regulatory trading book: internal models and other methodologies for sensitivity analysis

The measurement of price risk on the trading book is supported by reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk).

The VaR measurement is available daily for monitoring and operational evaluations carried out by the Risk Management Department and the Planning Department of the Parent Company and the Finance Department of the Affiliated Banks, and is calculated on various levels of detail which, in addition to the Total portfolio, consider the Banking portfolio, the business models, the various groupings by type of instrument (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate), up to the individual securities present.

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

1.2.2 INTEREST RATE RISK AND PRICE RISK - BANKING BOOK

Qualitative information

A. General aspects, management processes and measurement methods for interest rate and price risk

Interest rate risk - Banking book

Primary sources of interest rate risk

The sources of the interest rate risk to which the Group is exposed can be identified mainly in the lending, funding and finance processes, since the banking book consists mainly of loans and the various forms of funding from customers.

In particular, 'fair value' interest rate risk is derived from fixed-rate items while interest rate risk from cash flows is derived from variable-rate items.

However, items on demand generally include asymmetrical behaviours, depending on whether one considers liability or asset items; the former - being characterised by greater stability - primarily refer to fair value risk while the second are more sensitive to market changes and therefore ascribable to cash flow risk.

Internal management processes and measurement methods for interest rate risk

The Group has put in place appropriate mitigation and control measures aimed at avoiding the possibility of positions exceeding a certain level of objective risk.

These mitigation and control measures are applied within the framework of corporate regulations aimed at setting up monitoring processes based on position limits and systems of attention thresholds in terms of internal capital, beyond which appropriate corrective actions are triggered.

With regard to this point, the following are defined:

- policies and procedures for managing interest rate risk that are consistent with the nature and complexity of the activity carried out;
- measurement metrics consistent with the risk measurement methodology adopted by the Group, on the basis of which an early warning system has been defined that allows for the timely identification and activation of appropriate corrective measures;
- operational limits and internal procedural provisions which aim to maintain exposure within limits that are consistent with the managerial policy and with the alert thresholds pursuant to prudential regulations.

From an organisational point of view, the Group has identified the Planning Department of the Parent Company and the Finance Departments of the Affiliated Banks as the structures responsible for overseeing this process of managing interest rate risk on the banking book.

The monitoring of interest rate risk exposure on the banking book is carried out on a monthly basis.

With regard to the risk measurement methodology in terms of change in economic value and change in interest margin, the Group has decided to use the calculation framework provided by the EBA guidelines (EBA/GL/2022/14) which is based on the following elements:

- sensitivity analysis to economic value: the calculation engine allows the quantification of the difference in fair value of financial statement items calculated according to the Discounted Cash Flow method using first a base curve (without

shock) and then a shocked curve. The reports can be prepared individually or aggregated on the basis of their specific financial characteristics;

- margin sensitivity analysis: the calculation engine allows the quantification of the difference in the interest margin against specific expected rate scenarios (baseline or adverse) or one or more rate shocks (parallel or otherwise), assuming the reinvestment of maturing (assuming of constant volumes) or rate-revising flows (indexed ratios) at forward rates over a predefined time period (e.g. twelve months);
- treatment of behavioural models: the calculation engine allows for the behavioural models to be taken into account in the analysis (value and margin); in 2024, an update was applied to the model of items on demand, estimated using Group data and the prepayment model was enhanced, applied to loans repayable in instalments, with the introduction of "scenario dependency", namely the representation of the phenomenon of early repayments on the basis of the different shock scenarios applied.

The Group determines the internal capital for interest rate risk according to the model of the change in economic value shown above, applying a parallel rate shock of +/- 200 basis points.

Additional stress scenarios, as indicated in the relevant legislation, are determined to assess the impacts of non-parallel curve shifts (steepening, flattening, short rates up and down) and from cases established internally within the Group. From June 2024, with the introduction by regulation of the SOT (supervisory outlier test) also on the NII (net interest income), the Group has adapted its rate risk monitoring process on the Interest Margin by calculating and monitoring the respective levels of "large decline".

The risk indicator is represented in the RAF (Risk Appetite Framework) by the ratio between the internal capital thus calculated and the value of CET1. At consolidated level, the Parent Company monitors the Group's positioning with respect to the attention thresholds of 15% for the Economic Value and 5% for the Interest Margin set by EBA's Guidelines and Regulatory Technical Standards (RTS). If the risk indicator exceeds the thresholds set out in the RAF, the appropriate recovery initiatives are activated.

Price risk - Banking book

In line with the section on interest rate risk - regulatory trading book, the measurement of price risk on the banking book is supported by the reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk).

The VaR measurement is available daily for monitoring and operational evaluations carried out by the Risk Management Department and the Planning Department of the Parent Company and the Finance Department of the Affiliated Banks, and is calculated on various levels of detail which, in addition to the Total portfolio, consider the Banking portfolio, the business models, the various groupings by type of instrument (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate), up to the individual securities present.

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

Information about the VaR calculations for the securities component of the banking book during the course of 2024 is reported below:

(Figures rounded to nearest euro unit)

VaR 31/12/2024	Average VaR	Minimum VaR	Maximum VaR
378,948,225	382,431,819	329,189,056	504,786,127

Control over the reliability of the model is implemented through theoretical backtesting activities which verify daily changes in the market value of the banking book, as calculated by the model with an estimate of the expected loss for the day. At portfolio level the previous model did not identify any significant overruns in the year.

The year 2024 saw a continuation, with respect to VaR, of the quantification of issuer risk for government securities and therefore country risk, understood as VaR relating only to the risk factor “Credit Spread”, expressed as the spread between the Italian government bond curve and the risk-free curve, understood as the reference monetary curve for each currency in which the bond is denominated. VaR and Expected Shortfall metrics were also calculated only on the Italian Government bonds segment.

With regard to stress tests, the outcomes of simulations of the impact of different shock scenarios on the theoretical value of the portfolio on 31 December 2024 is reported below. The shocks replicate parallel movements of +/-25 and +/-50 basis points for the primary rate curves that were used in the valuation of securities within the owned portfolio.

(Figures rounded to nearest euro unit)

Theoretical value at 31/12/2024	Shock value changes -25 bps	Shock value changes +25 bps	Shock value changes -50 bps	Shock value changes +50 bps
31,524,123,871	+290,939,523	-285,029,895	+587,937,333	-564,321,688

Information of a quantitative nature

1. Banking book: breakdown by residual duration (re-pricing date) of financial assets and liabilities

Euro

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	Beyond 10 years	Indefinite maturity
1. CASH ASSETS	12,874	19,316	10,157	2,668	15,271	12,192	8,891	-
1.1 Debt securities	-	3,263	8,332	867	8,297	7,405	3,804	-
- with early repayment option	-	159	47	31	52	7	5	-
- other	-	3,104	8,285	836	8,245	7,398	3,799	-
1.2 Loans to banks	95	650	1	3	-	-	-	-
1.3 Loans to customers	12,779	15,403	1,824	1,798	6,974	4,787	5,087	-
- current accounts	2,985	567	31	38	52	13	1	-
- other loans	9,794	14,836	1,793	1,760	6,922	4,774	5,086	-
- with early repayment option	3,243	5,960	719	811	3,168	1,929	2,355	-
- other	6,551	8,876	1,074	949	3,754	2,845	2,731	-
2. CASH LIABILITIES	60,223	5,242	2,747	2,371	3,327	253	314	-
2.1 Due to customers	59,948	2,569	1,009	1,105	1,018	252	311	-
- current accounts	57,036	964	786	724	664	27	1	-
- other payables	2,912	1,605	223	381	354	225	310	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	2,912	1,605	223	381	354	225	310	-
2.2 Due to banks	246	454	557	27	-	1	-	-
- current accounts	206	-	-	-	-	-	-	-
- other payables	40	454	557	27	-	1	-	-
2.3 Debt securities	29	2,219	1,181	1,239	2,309	-	3	-
- with early repayment option	4	1,959	962	913	1,846	-	-	-
- other	25	260	219	326	463	-	3	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. FINANCIAL DERIVATIVES								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	1	31	36	69	479	416	527	-
+ Short positions	240	1,085	47	32	111	30	14	-

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	Beyond 10 years	Indefinite maturity
- Other derivatives								
+ Long positions	4	843	147	10	238	135	5	-
+ Short positions	-	16	16	42	491	438	379	-
4. OTHER OFF-BALANCE-SHEET OPERATIONS								
+ Long positions	87	98	32	4	12	4	5	-
+ Short positions	185	56	-	1	-	-	-	-

Currencies other than the Euro

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	Beyond 10 years	Indefinite maturity
1. CASH ASSETS	17	28	3	-	1	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	14	14	-	-	1	-	-	-
1.3 Loans to customers	3	14	3	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other loans	3	14	3	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	3	14	3	-	-	-	-	-
2. CASH LIABILITIES	142	3	1	-	-	-	-	-
2.1 Due to customers	136	3	1	-	-	-	-	-
- current accounts	130	-	-	-	-	-	-	-
- other payables	6	3	1	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	6	3	1	-	-	-	-	-
2.2 Due to banks	6	-	-	-	-	-	-	-
- current accounts	6	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. FINANCIAL DERIVATIVES								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	Beyond 10 years	Indefinite maturity
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. OTHER OFF-BALANCE-SHEET OPERATIONS								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

2. Banking book: internal models and other methodologies for sensitivity analysis

For management purposes, the Group quantifies on a monthly basis the impacts deriving from parallel and non-parallel curve shocks, both for the change in economic value and for the change in the interest margin.

On the basis of the analyses as at 31 December 2024, assuming a change in interest rates of +/-100 basis points, the effects relating to the change in the economic value and the interest margin are shown, then compared to the value of the Tier 1, therefore adapting the calculation to the new indicator established by RTS/2022/10.

(Figures rounded to nearest euro unit)

CHANGE IN ECONOMIC VALUE	Scenario +100 basis points	Scenario -100 basis points
Banking book: loans	(1,249,756,083)	1,324,773,015
Banking book: securities	(1,208,163,766)	1,323,212,274
Other assets	(13,165,350)	14,354,562
Liabilities	1,983,963,925	(2,153,827,920)
Total	(487,121,274)	508,511,931
Tier 1	9,088,349,728	9,088,349,728
% Impact on Tier 1	(5.36%)	5.60%

(Figures rounded to nearest euro unit)

CHANGE IN INTEREST MARGIN	Scenario +100 basis points	Scenario -100 basis points
Banking book: loans	207,104,339	(199,289,597)
Banking book: securities	76,740,300	(77,048,889)
Other assets	25,314,884	(30,566,149)
Liabilities	(158,804,649)	153,325,038
Total	150,354,873	(153,579,598)
Tier 1	9,088,349,728	9,088,349,728
% Impact on Tier 1	1.65%	(1.69%)

1.2.3 EXCHANGE RATE RISK

Qualitative information

A. General aspects, management processes and measurement methods for exchange rate risk

In line with the section on interest rate risk - regulatory trading book, the measurement of exchange rate risk relating to foreign currency income instruments held is supported by the reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk).

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

B. Exchange rate risk hedging activities

Exchange rate risk hedging activities are implemented through a careful policy of essentially balancing booked foreign currency positions. To this end, in 2024 the Group carried out transactions to hedge the exchange rate risk using outright derivatives.

Information of a quantitative nature

1. Distribution of assets, liabilities and derivatives by currency

ITEMS	Currency					
	USD	GBP	JPY	CAD	CHF	OTHER CURRENCIES
A. Financial assets	37	-	1	-	14	1
A.1 Debt securities	1	-	-	-	-	-
A.2 Equities	3	-	-	-	-	-
A.3 Loans to banks	15	-	1	-	11	1
A.4 Loans to customers	18	-	-	-	3	-
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	13	2	-	1	2	1
C. Financial liabilities	122	5	1	1	14	1
C.1 Due to banks	5	-	-	-	-	-
C.2 Due to customers	117	5	1	1	14	1
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	1	-	-	-	-	-
E. Financial derivatives						
- Options						
+ Long positions	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-
- Other derivatives						
+ Long positions	120	4	-	1	-	-

ITEMS	Currency					
	USD	GBP	JPY	CAD	CHF	OTHER CURRENCIES
+ Short positions	37	-	-	-	1	-
Total assets	170	6	1	2	16	2
Total liabilities	160	5	1	1	15	1
Imbalance (+/-)	10	1	-	1	1	1

2. Internal models and other methodologies for sensitivity analysis

The Group's overall exposure to exchange rate risk is very limited: the effects of changes in exchange rates on net interest and other banking income, net profit for the year and equity, as well as the results of scenario analyses, are not reported.

1.3 DERIVATIVES AND HEDGING POLICIES

1.3.1 DERIVATIVES HELD FOR TRADING

A. Financial derivatives

A.1 Financial derivatives held for trading: notional values at the end of the period

UNDERLYING ASSETS/ TYPE OF DERIVATIVES	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterpar- ties	Without central counterparties			Central counterpar- ties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. DEBT SECURITIES AND INTEREST RATES	-	752	41	-	-	276	90	-
a) Options	-	14	14	-	-	112	37	-
b) Swaps	-	738	27	-	-	164	53	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. EQUITIES AND STOCK MARKET INDICES	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. CURRENCIES AND GOLD	-	103	22	-	-	101	21	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	103	22	-	-	101	21	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. COMMODITIES	-	-	-	-	-	-	-	-
5. OTHER	-	-	-	-	-	-	-	-
Total	-	855	63	-	-	377	111	-

A.2 Financial derivatives held for trading: Gross positive and negative fair value - breakdown by product

UNDERLYING ASSETS/ TYPE OF DERIVATIVES	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterpar- ties	Without central counterparties			Central counterpar- ties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. POSITIVE FAIR VALUE								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	4	-	-	-	5	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	2	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	6	-	-	-	5	-	-
2. NEGATIVE FAIR VALUE								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	6	1	-	-	2	1	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	1	-	-	1	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	6	2	-	-	3	1	-

A.3 OTC financial derivatives held for trading: notional values, gross positive and negative fair value by counterparty

UNDERLYING ASSETS	Central counterparties	Banks	Other financial corporations	Other subjects
Contracts not part of netting agreements				
1) DEBT SECURITIES AND INTEREST RATES				
- notional value	X	-	-	41
- positive fair value	X	-	-	-
- negative fair value	X	-	-	1
2) EQUITIES AND STOCK MARKET INDICES				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) CURRENCIES AND GOLD				
- notional value	X	-	-	22
- positive fair value	X	-	-	-
- negative fair value	X	-	-	1
4) COMMODITIES				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts that are part of netting agreements				
1) DEBT SECURITIES AND INTEREST RATES				
- notional value	-	752	-	-
- positive fair value	-	4	-	-
- negative fair value	-	6	-	-
2) EQUITIES AND STOCK MARKET INDICES				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) CURRENCIES AND GOLD				
- notional value	-	101	-	2
- positive fair value	-	2	-	-
- negative fair value	-	-	-	-
4) COMMODITIES				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial derivatives: notional values

UNDERLYING/RESIDUAL LIFE		Up to 1 year	From 1 to 5 years	Beyond 5 years	Total
A.1 Financial derivatives on debt securities and interest rates		43	430	320	793
A.2 Financial derivatives on equities and stock market indices		-	-	-	-
A.3 Financial derivatives on currencies and gold		123	2	-	125
A.4 Financial derivatives on commodities		-	-	-	-
A.5 Other financial derivatives		-	-	-	-
Total	31/12/2024	166	432	320	918
Total	31/12/2023	217	106	165	488

B. Credit derivatives

At the end of the reporting period, the Group had not entered into any transactions in credit derivatives. This section shall therefore not be filled in.

1.3.2 ACCOUNTING HEDGES

Qualitative information

A. Fair value hedging

The purpose of fair value hedging is to immunise changes in the fair value of funding and loans caused by movements in the interest rate curve. The main types of derivatives used are interest rate swaps. The assets and liabilities covered, identified in detail, are mainly fixed-rate loans to customers, which fall under specific or portfolio hedges.

At 31 December 2024, there were 24 interest rate swaps (23 hedging derivatives negotiated in 2024), of which 10 on Italian fixed-rate government bonds present in the securities portfolio for a nominal value of EUR 225 million, 13 on fixed-rate loans present in the loan portfolio for a financial statements value of EUR 616 million, and 1 on a bond issue for a nominal amount of EUR 100 million. The operations fall under a fair value hedge. The nominal values of the hedging instruments were entirely hedged by the operations. The aim was to sterilise any changes in fair value in the security deriving from changes in the risk-free rates curve.

The Group also has management hedging transactions for a negligible amount against changes in fair value, for the accounting representation of which it uses the provisions of the so-called fair value option has been exercised. The main types of derivatives used are interest rate swaps. The assets and liabilities covered are mainly loans to customers.

The Group has adopted organisational and instrumental controls in accordance with the regulations governing the fair value option.

The Group has equipped itself with the necessary organisational controls for an informed management of hedging transactions and related risks through the adoption of the Group's Hedge Accounting Policy.

B. Cash flow hedging

At the date of preparation of the financial statement, the Group does not engage in cash flow hedging transactions, i.e. hedging exposure to variability in cash flows associated with variable rate financial instruments.

C. Hedging of foreign investments

During 2024, the Group did not carry out any foreign investment hedging transactions.

D. Hedging instruments

Derivatives are not listed on regulated markets and fall under contracts stipulated through Clearing Houses, contracted on over-the-counter (OTC) markets.

E. Hedged elements

For more information see paragraph "A. Fair value hedging" in this section.

Information of a quantitative nature

A. Financial hedging derivatives

A.1 Financial hedging derivatives: notional values at the end of the period

UNDERLYING ASSETS/ TYPE OF DERIVATIVES	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterpar- ties	Without central counterparties			Central counterpar- ties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. DEBT SECURITIES AND INTEREST RATES	-	1,382	-	-	-	799	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	1,382	-	-	-	799	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. EQUITIES AND STOCK MARKET INDICES	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. CURRENCIES AND GOLD	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. COMMODITIES	-	-	-	-	-	-	-	-
5. OTHER	-	-	-	-	-	-	-	-
Total	-	1,382	-	-	-	799	-	-

A.2 Financial hedging derivatives: Gross positive and negative fair value - breakdown by product

DERIVATIVE TYPES	Positive and negative fair value								Change in the value used to detect the ineffectiveness of the hedging	
	Total 31/12/2024				Total 31/12/2023				Total 31/12/2024	Total 31/12/2023
	Over the counter			Organ- ised markets	Over the counter			Organ- ised markets		
	Central counter- parties	Without central counterparties			Central counter- parties	Without central counterparties				
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements			
POSITIVE FAIR VALUE										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	70	-	-	-	84	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	70	-	-	-	84	-	-	-	-
NEGATIVE FAIR VALUE										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	15	-	-	-	4	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	15	-	-	-	4	-	-	-	-

A.3 OTC financial hedging derivatives: notional values, gross positive and negative fair value by counterparty

UNDERLYING ASSETS	Central counterparties	Banks	Other financial corporations	Other subjects
Contracts not part of netting agreements				
1) DEBT SECURITIES AND INTEREST RATES				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
2) EQUITIES AND STOCK MARKET INDICES				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) CURRENCIES AND GOLD				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) COMMODITIES				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts that are part of netting agreements				
1) DEBT SECURITIES AND INTEREST RATES				
- notional value	-	1,382	-	-
- positive fair value	-	70	-	-
- negative fair value	-	15	-	-
2) EQUITIES AND STOCK MARKET INDICES				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) CURRENCIES AND GOLD				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) COMMODITIES				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial hedging derivatives: notional values

UNDERLYING/RESIDUAL LIFE	Up to 1 year	From 1 to 5 years	Beyond 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	243	322	817	1,382
A.2 Financial derivatives on equities and stock market indices	-	-	-	-
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31/12/2024	243	322	817	1,382
Total 31/12/2023	57	230	512	799

B. Credit derivatives

At the end of the reporting period, the Group had not entered into any transactions in credit derivatives. This section shall therefore not be filled in.

C. Non-derivative hedging instruments

At the end of the reporting period, the Group had not carried out any transactions attributable to this scenario. This section shall therefore not be filled in.

D. Hedged instruments

D.1 Fair value hedging

The Group avails itself of the possibility, provided for in the introduction of IFRS 9, to continue to apply in full the provisions of IAS 39 on hedge accounting (in the carved out version approved by the European Commission) for each type of hedge (for both specific hedges and macro hedges).

	Specific hedges: book value	Specific hedges - net positions: book value of assets or liabilities (before offsetting)	Specific hedges			Macro hedges: Book value
			Accrued fair value changes in the hedged instrument	Disposal of the hedge: accrued residual changes in fair value	Changes in the value used to detect the ineffectiveness of the hedging	
A. Assets						
1. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - HEDGING OF:	-	-	-	-	-	-
1.1 Debt securities and interest rates	-	-	-	-	-	X
1.2 Equities and stock market indices	-	-	-	-	-	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Loans	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
2. FINANCIAL ASSETS MEASURED AT AMORTISED COST - HEDGING OF:	298	-	4	-	-	985
1.1 Debt securities and interest rates	298	-	4	-	-	X
1.2 Equities and stock market indices	-	-	-	-	-	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Loans	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
Total 31/12/2024	298	-	4	-	-	985
Total 31/12/2023	30	-	(1)	-	-	753
B. Liabilities						
1. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST - HEDGING OF:	110	-	-	-	-	-
1.1 Debt securities and interest rates	110	-	-	-	-	X
1.2 Currencies and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
Total 31/12/2024	110	-	-	-	-	-
Total 31/12/2023	17	-	-	-	-	-

D.2 Hedging of cash flows and foreign investments

At the end of the reporting period, the Group had not carried out any transactions attributable to this scenario. This table is therefore not filled in.

E. Effects of equity hedging transactions

At the end of the reporting period there were no cash flow hedge valuation reserves deemed significant. This section shall therefore not be filled in.

1.3.3 OTHER INFORMATION ON DERIVATIVES (TRADING AND HEDGING)

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair values by counterparties

A. FINANCIAL DERIVATIVES	Central counterparties	Banks	Other financial corporations	Other subjects
A. FINANCIAL DERIVATIVES				
1) Debt securities and interest rates				
- notional value	-	2,134	-	41
- positive net fair value	-	74	-	-
- negative net fair value	-	21	-	1
2) Equities and stock market indices				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	101	-	24
- positive net fair value	-	2	-	-
- negative net fair value	-	-	-	1
4) Commodities				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
B. CREDIT DERIVATIVES				
1) Purchase of protection				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
2) Sale of protection				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-

1.4 LIQUIDITY RISK

Qualitative information

A. General aspects, management processes and measurement methods for liquidity risk

Liquidity risk is defined as the possibility that the Group may not be able to meet its payment commitments due to the inability to raise new funds and/or sell its assets on the market (Funding Liquidity Risk), or that it may be forced to incur very high costs to meet these commitments (Market Liquidity Risk). Funding liquidity risk can be divided into: (i) Mismatching Liquidity Risk, consisting of the risk associated with the different time profile of cash inflows and outflows determined by the misalignment of the maturities of financial assets and liabilities on (and off) the balance sheet; (ii) Contingency Liquidity Risk, i.e. the risk that unexpected events may require a higher amount of cash and cash equivalents than estimated as necessary; and (iii) Margin Calls Liquidity Risk, i.e. the risk that the Group, in the event of adverse changes in the fair value of financial instruments, is contractually required to restore the reference margins by means of collateral/cash margins.

In this regard, it should be noted that the Delegated Regulation of the European Commission (EU) no. 61/2015 introduced the Liquidity Coverage Requirement (LCR) for credit institutions (hereinafter "DR-LCR"). The LCR is a short-term rule aimed at ensuring the availability of liquid assets by individual banks that allow them to survive in the short to very short term in the event of acute stress, without recourse to the market. The indicator compares the liquid assets available to the Group with net cash outflows (difference between gross outflows and inflows) expected over a 30-day time period, the latter developed taking into account a predefined stress scenario: a 100% requirement must be met. The DR-LCR integrates and, in part, amends the provisions of Regulation no. 575/2013 (CRR) which provides only for obligations of a reporting nature.

Liquidity risk can be generated by various factors both internal and external to the Group. The sources of liquidity risk can therefore be distinguished in the following macro-categories:

- endogenous: represented by negative events specific to the Group (e.g. deterioration of the Group's creditworthiness and loss of confidence on the part of creditors);
- exogenous: when the origin of the risk can be traced back to negative events not directly controllable by the Group (political crises, financial crises, catastrophic events, etc.) that cause situations of liquidity tension in the markets;
- combinations of the above.

The identification of the factors from which liquidity risk is generated is carried out by means of the following:

- the analysis of the time distribution of cash flows of financial assets and liabilities and off-balance sheet transactions;
- the identification of:
 - items that do not have a defined due date (on demand and revocation items);
 - financial instruments that incorporate optional components (explicit or implicit) that may change the entity and/or the time distribution of cash flows (e.g. early redemption options);
 - financial instruments that by their nature determine variable cash flows depending on the performance of specific underlying assets (e.g. derivatives);
- the analysis of the level of seniority of financial instruments.

The processes in which the Group's liquidity risk arises are mainly represented by the Finance/Treasury, Funding and Credit processes.

The internal regulation of liquidity risk management meets the requirements set out in the regulatory provisions and guarantees consistency between the management measurements and the regulatory ones.

The Group adopts a liquidity risk management and governance system which, in accordance with the provisions of the Supervisory Authorities and on the basis of the guidelines defined by the Parent Company, pursues the objectives of:

- being liquid at all times and, therefore, to remain in a position to meet its payment obligations in situations of both normal business and stress;
- financing its activities at the best current and prospective market conditions.

To this end, in its function as a strategic Supervisory Authority, the Board of Directors of the Parent Company and of each Affiliated Bank defines the strategies, policies, responsibilities, processes, risk objectives, tolerance thresholds and limits to exposure to liquidity risk (operating and structural), as well as instruments for liquidity risk management - related to membership of the Cooperative Banking Group - by formalising its internal regulations on liquidity risk management and governance.

The Group's liquidity is managed by the Planning Department of the Parent Company and by the Finance Department of the Affiliated Banks in accordance with the aforementioned strategic guidelines. To this end, it makes use of the commitment forecasts made through internal procedures where information on forecast cash requirements and availability can be found. The organisational controls of liquidity risk are defined in terms of line controls and activities of the control functions at level II and III. Liquidity risk is controlled by the Risk Management Department of the Parent Company, which makes use of its representative at the Affiliated Banks to check the availability of sufficient liquidity reserves to ensure solvency in the short term and diversification of sources of funding and, at the same time, to maintain a substantial balance between average maturities of lending and funding in the medium/long term.

The Group intends to pursue a dual objective:

- the management of operating liquidity aimed at verifying the Group's ability to meet expected and unforeseen short-term (up to 12 months) cash payment commitments;
- structural liquidity management aimed at maintaining an adequate ratio between total liabilities and medium/long-term assets (over 12 months).

The Group has structured its control of short-term operating liquidity on two levels:

- the first level provides for daily supervision of the treasury position;
- the second level provides for monthly monitoring of the overall operating liquidity position.

With reference to the monthly monitoring of the overall operating liquidity position, the Group uses the analysis reports available monthly prepared by the Parent Company.

Monthly measurement and monitoring of the operating liquidity position is carried out by means of the following methods:

- the LCR indicator, for the 30-day liquidity position, as determined on the basis of the DR-LCR and transmitted (according to the template developed by the EBA) on a monthly basis to the Supervisory Authority;
- its liquidity position by means of the time to survival indicator, designed to measure the ability to cover the liquidity imbalance generated by inertial operations of balance sheet items;
- a set of summary indicators aimed at highlighting vulnerabilities in the Group's liquidity position in reference to the degree of concentration of loans and deposits with the main counterparties;
- analysis of the level of asset encumbrance and quantification of readily monetised assets.

In particular, as regards the concentration of funding sources at the end of the reporting period, the incidence of funding from the top 10 counterparties (private and Non-financial corporations) on the Group's total funding from customers is 0.8% as at 31 December 2024.

The Group's exposure to unexpected cash outflows mainly relates to:

- items that do not have a defined maturity (primarily current account liabilities and unrestricted deposits);

- liabilities at maturity (certificates of deposit, term deposits) which, at the request of the depositor, can be repaid early;
- its own bonds, for which the Group operates in order to guarantee liquidity on the secondary market;
- commitments to exchange collateral arising from margining agreements relating to OTC derivative transactions;
- the margins available on the credit lines granted.

With reference to the management of structural liquidity, the Group uses the analysis reports available monthly prepared by the Parent Company.

The Net Stable Funding Ratio, consisting of the ratio between stable sources of funding and medium/long-term assets, is measured monthly from reporting and management sources by means of the percentages set out in the Regulation (EU) no. 2019/876 (CRR2).

In order to assess its vulnerability to exceptional but plausible liquidity stress situations, the Group calculates and monitors the LCR indicator as determined on the basis of the DR-LCR and transmitted (according to the template developed by the EBA) on a monthly basis to the Supervisory Authority. Periodic scenario stress tests are also conducted. The latter, conducted according to a qualitative approach based on the company's experience and the indications provided by the regulations and supervisory guidelines, cover two scenarios of liquidity, market/systemic and Group-specific crises. In particular, the Group performs the stress analysis by extending the scenario covered by the LCR regulation, with the aim of assessing the impact of additional load tests.

Over the last few years, additional stress scenarios linked to the pandemic crisis have been introduced (which affects the inflow component) and climate risk (both physical and transition). The results of the analyses carried out are periodically documented to the Board of Directors.

On the basis of the guidelines defined by the Parent Company, crisis, system/market early warning indicators have been identified, i.e. a set of qualitative and quantitative measurements useful for identifying signs of a potential increase in exposure to liquidity risk. These indicators represent, together with the results of liquidity risk measurement, an important information element for the activation of liquidity risk mitigation measures.

With regard to the Contingency Funding Plan (CFP), i.e. the organisational and operational procedures to be implemented to deal with situations of alert or liquidity crisis, it should be noted that management is centralised at the Parent Company; it follows that in the event of any critical issues regarding the liquidity profile encountered at the level of individual banks belonging to the Group, it is the Parent Company that intervenes using the resources available to the entire Group. The CFP is therefore only activated if there is a problem with the consolidated values of the Cassa Centrale Group. The Group's CFP defines the statuses of non-ordinary operations and the processes and tools for their activation/management (roles and responsibilities of the corporate bodies and organisational units involved, systemic and specific crisis early warning indicators, procedures for monitoring and activating non-ordinary operations, crisis management strategies and tools).

Traditionally, the Group has had a significant amount of liquid resources due to both the composition of its liquidity buffer, consisting mainly of high-quality financial instruments eligible for refinancing operations with the Eurosystem, and the adoption of funding policies aimed at favouring direct retail funding.

As at 31 December 2024, the total amount of free cash reserves, understood as high-quality liquid assets calculated for the purposes of determining the Liquidity Coverage Ratio (LCR), stood at EUR 29.5 billion.

The recourse to refinancing from the ECB, represented mainly by funding from participation in the Targeted Longer Term Refinancing Operations (TLTRO), was repaid in full in December 2024.

Information of a quantitative nature

Time-based breakdown by residual contractual duration of financial assets and liabilities

Euro

ITEMS/TIME PERIOD BRACKETS	On demand	Between 1 day and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 month and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Beyond 5 years	Indefinite maturity
A. CASH ASSETS	3,803	190	768	764	3,172	4,236	6,398	28,691	35,905	637
A.1 Government securities	11	13	464	80	1,074	1,900	2,372	12,133	13,372	-
A.2 Other debt securities	29	1	1	7	11	16	112	682	585	-
A.3 UCITS units	115	-	-	-	-	-	-	-	-	-
A.4 Loans	3,648	176	303	677	2,087	2,320	3,914	15,876	21,948	637
- Banks	98	1	-	-	4	1	3	-	-	637
- Customers	3,550	175	303	677	2,083	2,319	3,911	15,876	21,948	-
B. CASH LIABILITIES	60,152	1,416	399	414	1,611	2,382	2,364	5,287	569	-
B.1 Deposits and current accounts	59,749	62	94	224	846	987	1,120	904	33	-
- Banks	239	-	-	-	38	-	-	-	-	-
- Customers	59,510	62	94	224	808	987	1,120	904	33	-
B.2 Debt securities	26	52	80	171	553	802	1,144	4,227	5	-
B.3 Other liabilities	377	1,302	225	19	212	593	100	156	531	-
C. "OFF BALANCE-SHEET" OPERATIONS										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	13	4	2	8	7	2	2	-	-
- Short positions	-	38	23	36	18	7	1	-	-	-
C.2 Financial derivatives without exchange of capital										
- Long positions	4	-	-	-	1	1	1	-	-	-
- Short positions	7	-	-	-	1	-	-	-	-	-
C.3 Deposits and loans to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	20	1	-	3	15	23	4	20	27	-
- Short positions	113	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	314	-	-	1	6	15	15	62	33	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-

ITEMS/TIME PERIOD BRACKETS	On demand	Between 1 day and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 month and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Beyond 5 years	Indefinite maturity
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

Currencies other than the Euro

ITEMS/TIME PERIOD BRACKETS	On demand	Between 1 day and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 month and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Beyond 5 years	Indefinite maturity
A. CASH ASSETS	16	5	1	13	9	3	-	2	1	-
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Loans	16	5	1	13	9	3	-	2	1	-
- Banks	13	4	-	10	-	-	-	1	-	-
- Customers	3	1	1	3	9	3	-	1	1	-
B. CASH LIABILITIES	142	-	-	-	3	1	1	-	-	-
B.1 Deposits and current accounts	139	-	-	-	-	-	1	-	-	-
- Banks	6	-	-	-	-	-	-	-	-	-
- Customers	133	-	-	-	-	-	1	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	3	-	-	-	3	1	-	-	-	-
C. OFF BALANCE-SHEET OPERATIONS										
C.1 Financial derivatives with exchange of capital										
- Long positions	-	39	23	36	19	8	1	-	-	-
- Short positions	-	13	4	2	8	7	2	2	-	-
C.2 Financial derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

ITEMS/TIME PERIOD BRACKETS	On demand	Between 1 day and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 month and 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Beyond 5 years	Indefinite maturity
C.3 Deposits and loans to be received										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital										
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

2. Self-securitisation transactions

At the reporting date of these financial statements, the Group had no significant exposures to self-securitisation transactions.

1.5 OPERATIONAL RISK

Qualitative information

A. General aspects, management processes and measurement methods for operational risk

Operational risk, as defined by prudential regulations, is the “risk of sustaining losses deriving from the inadequacy or dysfunction of procedures, human resources and internal systems or those caused by exogenous events”.

This definition includes legal risk (i.e. the risk of suffering losses resulting from violations of laws or regulations, contractual or non-contractual liability or other disputes), but does not consider reputational and strategic risk.

Operational risk therefore refers to different types of events that are not individually relevant and are quantified jointly for the entire risk category.

Operational risk - which is inherent in the performance of banking activities - is generated across all company processes. In general, the primary sources of operating risk are internal fraud, external fraud, workplace employment and safety reports, professional obligations with respect to clients or the nature and characteristics of products as well as damages from external events and the breakdown of IT systems and deficiencies in the handling of transactions or process management, as well as losses due to positions with commercial counterparties and suppliers.

The following subcategories of risk are significant in terms of operational risks:

- “ICT and security” risk, namely the risk of incurring losses due to a breach of confidentiality, lack of integrity of the systems and data, inadequacy or unavailability of the systems and data or inability to replace the information technology (IT) within a reasonable time and cost limits, in case of changes to the requirements of the external environment or activity (agility), as well as security risks arising from inadequate or incorrect internal processes or external events, including cyber attacks or a level of inadequate physical security;
- “third-party risk”, namely the risk of incurring economic losses, damage to reputation or market share losses arising from the outsourcing/supply of services and/or company functions.

Given that it is a transversal risk across processes, operational risk can be controlled and mitigated through currently effective regulations (regulations, executive provisions, proxies) which operate primarily for the purposes of prevention. Specific line controls are then set up on the basis of these regulations as a verification and additional system for monitoring this type of risk.

Currently effective regulations are also applied to IT procedures with the aim of constantly monitoring the correct assignment of authorisation as well as compliance with functional subdivisions on the basis of company roles.

Regulations and line controls are governed by the Board of Directors, implemented by the Management and updated, as a rule, by specialist managers.

With reference to organisational controls, the establishment of the Compliance function is important, outsourced to the Parent Company, which is responsible for monitoring and controlling compliance with regulations and which provides support to the process of preventing and managing the risk of being subject to judicial or administrative sanctions as well as the risk of reporting significant losses following the violation of external regulations (laws or regulations) or internal ones (Articles of Association, codes of conduct, corporate governance codes). The Compliance Department also operates through its own representatives identified within the individual Group Banks.

In addition, second-level controls are envisaged regarding the checks on the risks associated with the management of the IT system and the operations of employees.

The operational risk management process consists of the following steps:

- **identification and assessment**, which includes the detection, collection and classification of quantitative and qualitative information relating to operational risk; these risks are constantly and clearly identified, reported and relayed to top management;
- **measurement**, which includes the activity of determining operational risk exposure based on information collected at the identification stage;
- **monitoring and control**, which includes activities concerning the regular monitoring of the operational risk profile and exposure to significant losses, through the provision of a regular information flow that promotes active risk management;
- **risk management**, which includes activities aimed at containing operational risk consistently with the established risk appetite, implemented by intervening on significant risk factors or through their transfer, through the use of insurance coverage or other instruments;
- **reporting**, activities aimed at preparing information to be transmitted to corporate bodies (including control bodies) and to all corporate structures involved, regarding the risks assumed or assumable.

During the financial year, the Group, under the coordination of the Parent Company, has implemented a procedure for the recognition of operational loss events and the related economic effects. Furthermore, assessments were carried out for the prospective measurement of operational risk (Risk and Control Self-Assessment – RCSA) and analysis activities were launched for the risk generated by operations with third parties (third-party risk management) using a tool prepared by the Parent Company.

Finally, there are the third level controls carried out by the Internal Audit Department of the Parent Company, which periodically reviews the functionality of the control system as part of the various corporate processes.

As part of the overall assessment, with specific reference to the risk component linked to the outsourcing or supply of business processes/activities, it should be noted that the Group mainly uses the services offered by the Parent Company and its instrumental companies. These circumstances constitute a mitigation of the risks assumed by the Group in outsourcing or supplying essential or important control functions (ICF).

With regard to all the existing outsourcing/supply profiles, the procedures have been activated to ascertain the correct performance of the supplier's activities by preparing, according to the different types, risks and relevance of the service, different levels of contractual protection and control.

The Group internally maintains the expertise required to effectively control the outsourced essential or important functions and to manage the risks associated with supplies, including those arising from potential conflicts of interest of the service provider. In this context, an internal contact representative has been identified within the organisation for each of the outsourced activities, with adequate professional requirements, responsible for monitoring the level of services provided by the outsourcer and set out in the respective contracts and for reporting to corporate bodies on the status and performance of the outsourced/supplied functions.

With reference to the regulatory measurement of the prudential requirement for operational risks, the Group, in view of its organisational, operational and dimensional profiles, has approved the application of the Basic Indicator Approach (BIA).

On the basis of this methodology, the capital requirement for operating risks is measured by applying the regulatory coefficient of 15% to the average of the last three data recordings - on an annual basis - of an indicator of the volume of corporate operations (so-called relevant indicator, referring to the year-end situation).

If one of the observations shows that the relevant indicator is negative or zero, this figure shall not be taken into account in the calculation of the three-year average.

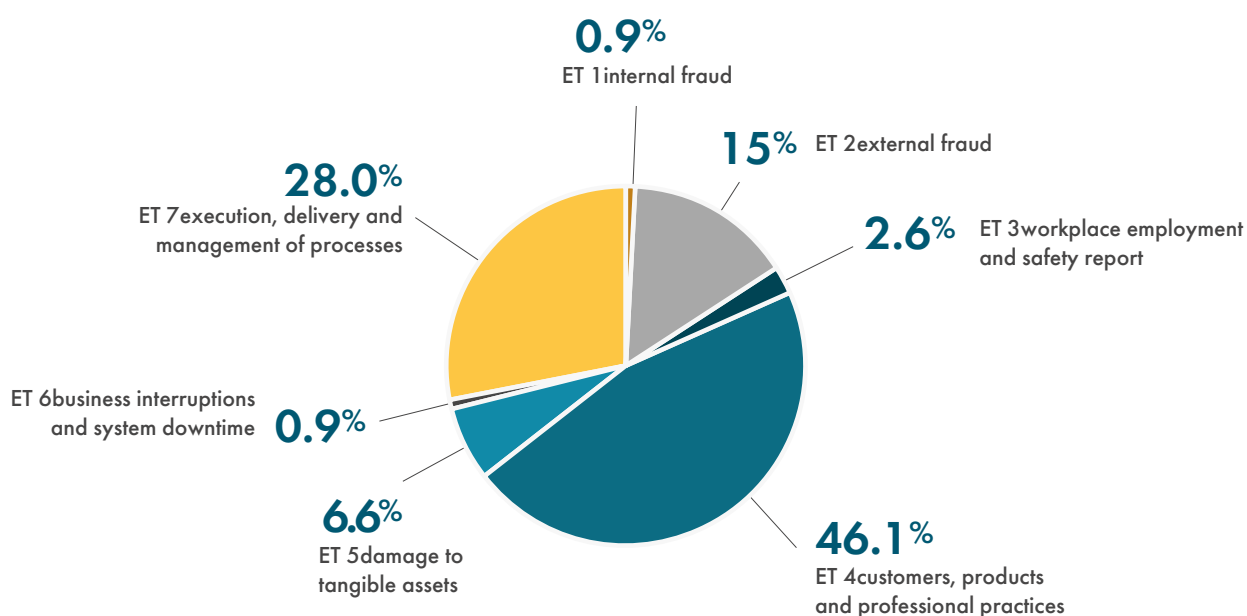
The adoption of a Business Continuity and Emergency Plan to protect the Group against critical events that may affect its overall operations is also part of the measures to mitigate these risks.

YEAR	Amount
Year T	3,527
Year T-1	3,404
Year T-2	2,791
RELEVANT INDICATOR AVERAGE LAST 3 YEARS	3,240
CAPITAL REQUIREMENT (15% OF THE AVERAGE)	486

Information of a quantitative nature

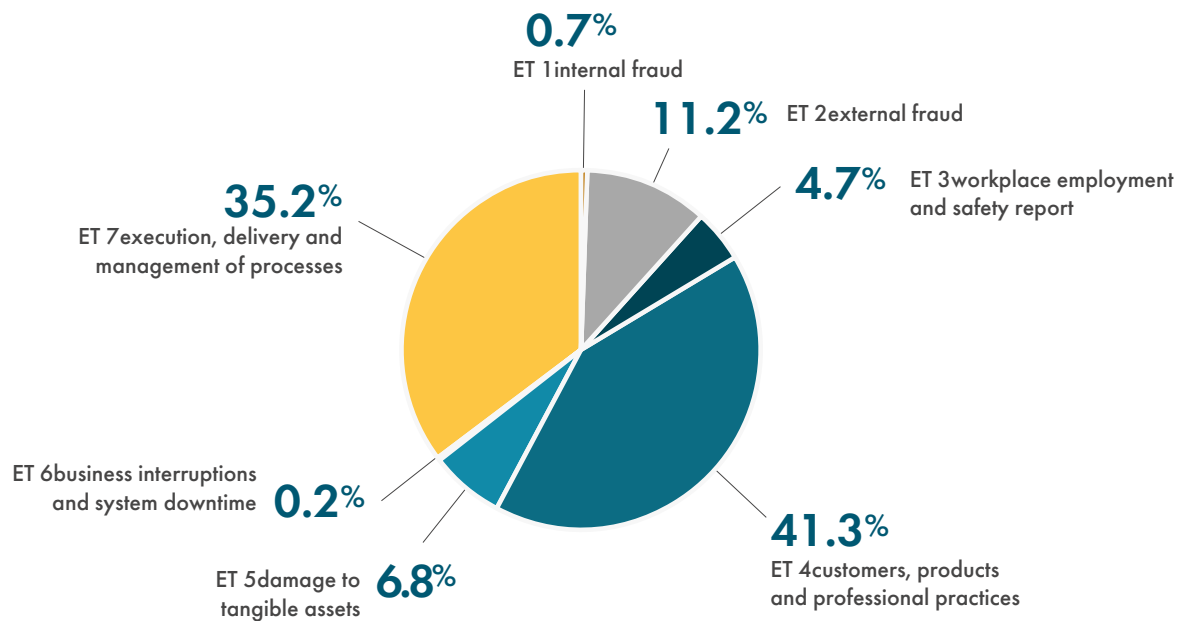
With reference to the quantitative information, in continuation of the activity already started in previous years, in relation to the structured process of Loss Data Collection at the Group³¹, the distribution by Event Type is reported.

Number of operational loss events with effects recorded in 2024



³¹ As at 31 December 2024, the process of recording Operational Risk events in the Loss Data Collection company tool was active for the Affiliated Banks, Allitude S.p.A., Claris Leasing S.p.A. and Prestipay S.p.A..

Net operating losses in 2024



Operational losses were mainly concentrated in the event type “ET 4 Customers, products and professional practices” (46.1% of frequencies and 41.3% of total impacts detected), followed by “ET 7 Execution, delivery and management of processes” (28% of frequencies and 35.2% of total impacts detected) and “ET 2 External fraud” (15% of frequencies and 11.2% of total impacts detected).

Legal risk

In carrying out their activities, the Group companies may be involved in legal disputes and proceedings. For these disputes and proceedings, adequate provisions have been made in the financial statements based on the reconstruction of the amounts potentially at risk, the assessment of the risk carried out according to the degree of “probability” and/or “possibility” as defined by IAS 37 and taking into account the most consolidated case law on the subject. Therefore, although it is not possible to predict with certainty the final outcome, it is believed that any unfavourable result of these proceedings would not have, either individually or as a whole, a significant negative effect on the financial and economic situation of the Group. For more detailed information, please refer to Part B, Section 10 - Provisions for risks and charges.

Section 3 – Risks of insurance companies

The section is not applicable and therefore was not filled in.

Section 4 – Risks of other companies

No other significant risks were noted for the remaining companies included in the scope of consolidation, given they do not belong to the Group nor insurance companies.

PART F - Information on equity

Section 1 – Consolidated equity

A. Qualitative information

Equity is the main safeguard against corporate risks associated with the Group's activities. It represents a fundamental reference parameter for solvency assessments, conducted by the Supervisory Authorities and by the market, and is the best element for effective management, both from a strategic point of view and in terms of current operations, as it is a financial element capable of absorbing possible losses produced by the Group's exposure to all the risks assumed. In addition, it also plays an important role in terms of guaranteeing depositors and creditors in general.

For this purpose, the international and local Supervisory Authorities have established strict requirements for determining the regulatory capital and the minimum capital requirements that credit institutions must comply with.

The capital to which the Group refers is that defined by EU Regulation no. 575/2013 (CRR) in the notion of Own Funds and is divided into the following components:

- Tier 1 capital, consisting of Common Equity Tier 1 capital (CET 1) and Additional Tier 1 capital (AT1);
- Tier 2 capital (T2).

In this, particular importance is represented by:

- a careful profit distribution policy, which in compliance with the provisions of the sector, entails a significant allocation to the profit reserves by the Affiliated Banks;
- prudent management of investments, which takes into account the risk of counterparties;
- capital strengthening plans promoted by the Parent Company through the issue of equity instruments and subordinated securities.

All this is pursued within the scope of compliance with capital adequacy by determining the level of internal capital necessary to face the risks assumed, from a current and future perspective, as well as in stressful situations, and taking into account the company objectives and strategies in the contexts in which the Group operates. These assessments are carried out annually in conjunction with the definition of the budget objectives and, if necessary, in view of extraordinary transactions involving the Group companies.

Moreover, at least every quarter, compliance with the minimum capital requirements, envisaged by the provisions in force, as per Art. 92 of the CRR shall be verified, based on which:

- the value of Common Equity Tier 1 capital in relation to total risk-weighted assets must be at least 4.5% (CET1 capital ratio);
- the value of Tier 1 capital in relation to total risk-weighted assets must be at least 6.0% (T1 capital ratio);
- the value of own funds in relation to total risk-weighted assets must be at least 8.0% (total capital ratio).

The Capital Conservation Buffer of 2.5% was added to these minimum regulatory requirements.

Additionally, from 31 December 2024 a new systemic risk capital reserve (Systemic Risk Buffer, SyRB) is active, equal to 0.5% of the material exposure, formed of high-quality capital. From 30 June 2025, the target coefficient of 1% will be applied to the aforesaid reserve, in line with the relevant regulatory provisions.

Any failure by the Supervised Entity to comply with all these requirements (the Combined Requirement) will result in limitations on dividend distributions, variable remuneration and other elements of regulatory capital beyond pre-established limits, and as a result, Supervised Entities will be required to take appropriate action to restore the required level of capital.

Moreover, as of 1 January 2016, the Banks are required to hold a Countercyclical Capital Buffer. Starting from 1 January 2019, this reserve, consisting of Common Equity Tier 1, may not exceed 2.5% of the total amount of risk-weighted exposures.

Considering that, as per Bank of Italy notice of 27 September 2024, for the fourth quarter of 2024, the countercyclical buffer ratio for exposures to counterparties resident in Italy has been set at 0%, that countercyclical capital ratios have generally been set at 0%, and that the Group has mainly exposures to domestic entities, the Group-specific countercyclical ratio is close to zero.

Lastly, the Group must comply with the provisions deriving from the Supervisory Review and Evaluation Process (SREP) pursuant to Art. 97 et seq. of EU Directive no. 36/2013 (CRD IV). Through this process, the Competent Authority reviews and evaluates the process of determining capital adequacy conducted internally by the Group, analyses its risk profiles both individually and in the aggregate — including under stress conditions — assesses its contribution to systemic risk, the corporate governance system, and verifies compliance with the set of prudential rules.

At the end of the reporting period of these consolidated financial statements, the Group shows:

- a ratio of Common Equity Tier 1 capital - CET1 - to risk-weighted assets (CET 1 ratio) of 26.82%;
- a ratio of Tier 1 capital to risk-weighted assets (Tier 1 capital ratio - Tier 1 ratio) of 26.82%;
- a ratio of own funds to risk-weighted assets (total capital ratio) of 26,82%.

The amount of own funds is not only fully sufficient on all three binding capital levels, but also adequate to cover the Capital Conservation Buffer.

B. Quantitative information

B.1 Consolidated accounting capital: breakdown by type of company

ITEMS OF EQUITY	Prudential consolidation	Insurance companies	Other companies	Eliminations and consolidation adjustments	Total
1. Share Capital	1,272	-	-	-	1,272
2. Share premium	78	-	-	-	78
3. Reserves	7,663	-	73	(73)	7,663
4. Equity instruments	1	-	-	-	1
5. (Own shares)	(868)	-	-	-	(868)
6. Valuation reserves:	66	-	1	(1)	66
- Equities measured at fair value through other comprehensive income	16	-	-	-	16
- Hedging of equities measured at fair value through other comprehensive income	-	-	-	-	-
- Financial assets (other than equities) measured at fair value through other comprehensive income	24	-	1	(1)	24
- Tangible assets	3	-	-	-	3
- Intangible assets	-	-	-	-	-
- Hedging of foreign investments	-	-	-	-	-
- Cash flow hedging	-	-	-	-	-
- Hedging instruments (non designated elements)	-	-	-	-	-
- Exchange rate differences	-	-	-	-	-
- Non-current assets and groups of assets held for disposal	-	-	-	-	-
- Financial liabilities measured at fair value through profit or loss (changes in credit rating)	-	-	-	-	-
- Actuarial gains (losses) from defined benefit plans	(13)	-	-	-	(13)
- Quota of reserves from the valuation of shareholdings measured with the equity method	2	-	-	-	2
- Financial revenues or costs relating to insurance contracts issued	-	-	-	-	-
- Financial revenues or costs relating to reinsurance transfers	-	-	-	-	-
- Special revaluation laws	34	-	-	-	34
7. Profit (Loss) for the year (+/-) of the group and pertaining to minority interests	1,168	-	85	(85)	1,168
Total	9,380	-	159	(159)	9,380

B.2 Valuation reserves for financial assets designated at fair value through other comprehensive income: composition

ASSETS/VALUES	Total				
	Prudential consolidation		Insurance companies		Other companies
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve
1. Debt securities	68	(44)	-	-	-
2. Equities	22	(6)	-	-	1
3. Loans	-	-	-	-	-
Total 31/12/2024	90	(50)	-	-	1
Total 31/12/2023	58	(104)	-	-	2

ASSETS/VALUES	Total				
	Other companies	Eliminations and consolidation adjustments		Total	
	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	-	-	-	68	(44)
2. Equities	-	(1)	-	22	(6)
3. Loans	-	-	-	-	-
Total 31/12/2024	-	(1)	-	90	(50)
Total 31/12/2023	-	(2)	-	58	(104)

B.3 Valuation reserves for financial assets designated at fair value through other comprehensive income: annual changes

	Debt securities	Equities	Loans
1. OPENING BALANCES	(55)	9	-
2. POSITIVE CHANGES	226	18	-
2.1 Increases in fair value	96	12	-
2.2 Writedowns for credit risk	2	X	-
2.3 Reversals of negative reserves to the income statement: from sale	83	X	-
2.4 Transfers to other components of equity (equities)	-	-	-
2.5 Other changes	45	6	-
3. NEGATIVE CHANGES	147	11	-
3.1 Decreases in fair value	54	2	-
3.2 Write-backs for credit risk	2	-	-
3.3 Reversals of positive reserves to the income statement: from sale	13	X	-
3.4 Transfers to other components of equity (equities)	-	2	-
3.5 Other changes	78	7	-
4. CLOSING BALANCES	24	16	-

B.4 Valuation reserves relating to defined benefit plans: annual changes

ITEMS	31/12/2024
1. OPENING BALANCES	(15)
2. POSITIVE CHANGES	2
2.1 Actuarial gains from defined benefit plans	2
2.2 Other changes	-
2.3 Business combinations	-
3. NEGATIVE CHANGES	-
3.1 Actuarial losses from defined benefit plans	-
3.2 Other changes	-
3.3 Business combinations	-
4. CLOSING BALANCES	(13)

Section 2 – Own funds and adequacy ratios

With regard to the contents of this section, reference should be made to the information on own funds and capital adequacy contained in the disclosure to the public (so-called Third Pillar), prepared in accordance with Regulation (EU) no. 575/2013 of 26 June 2013 (CRR).

PART G - Business combinations regarding companies or branches

Section 1 - Transactions implemented during the year

Business combinations

During the year, no business combinations of companies or branches, as governed pursuant to IFRS 3, were carried out.

Mergers between Cooperative Credit Banks belonging to the Group

During the year, a number of business combinations between Cooperative Credit Banks belonging to the Group were carried out, which did not, however, have any effect on the consolidated financial statements (as they are outside the scope of application of IFRS 3).

Such transactions pursue objectives of stability, efficiency and competitiveness. During 2024, the number of Affiliated Banks reached 65. Details of the business combinations during the year are shown below:

- Cassa Rurale Novella e Alta Anaunia – Banca di Credito Cooperativo, merger by incorporation into Cassa di Trento, Lavis, Mezzocorona, Valle di Cembra e Alta Vallagarina – Banca di Credito Cooperativo with simultaneous change in company name to Banca per il Trentino Alto Adige – Bank für Trentino-Südtirol – Credito Cooperativo Italiano Società Cooperativa: effective 1 January 2024, Trentino Alto Adige region;
- BVR Banca – Banche Venete Riunite – Credito Cooperativo di Schio, Pedemonte, Roana e Vestenanova – Società Cooperativa, merger by incorporation into Banca del Veneto Centrale – Credito Cooperativo – Soc. Coop. with simultaneous change in the company name to BVR Banca Veneto Centrale – Credito Cooperativo Italiano – Società Cooperativa: effective 1 July 2024, Veneto region.

From an accounting point of view, since these are business combinations between entities under common control, the above transactions are excluded from the scope of IFRS 3 (see IFRS 3.2(c) and IFRS 3 B1-B4). In fact, for this type of transaction, in the absence of an accounting standard of reference, the “ASSIREVI Preliminary Guidelines on IFRS” (so-called OPI) No. 1 and No. 2 are applied to this type of transaction, as is the established practice in the banking sector.

The documents already mentioned, for business combinations that have the nature of a reorganisation and which, therefore, do not have a significant influence on the future cash flows of the net assets transferred, provide for the application, in the financial statements of the acquiring entity, of the principle of “continuity of values”.

This principle implies the recognition in the balance sheet of values equal to those that would have resulted if the companies involved in the combination had always been combined. The net assets of the acquired and the acquiring entity shall therefore be recognised at the book values they had in their respective accounts before the transaction. The income statement shall be the sum of the income statements of the two integrated entities from the effective date of the transaction.

Section 2 – Transactions implemented after the close of the year

No business combinations were implemented after the close of the year.

Section 3 – Retrospective adjustments

No adjustments relating to business combinations were recorded during the year.

PART H - Transactions with related parties

The Cassa Centrale Group, in compliance with the procedures provided for by sector regulations, has adopted the Group Regulation for the management of transactions with associated parties.

The aforementioned Regulation, which takes into account the provisions of Bank of Italy Circular no. 285 of 17 December 2013 and subsequent updates, is intended to govern the identification, approval and execution of Transactions with Associated Parties carried out by the Group, as well as the organisational structure and internal control system that the Group uses in order to preserve the integrity of decision-making processes in Transactions with Associated Parties, ensuring constant compliance with the prudential limits and decision-making procedures established by the aforementioned Bank of Italy Circular.

For more strictly accounting purposes, the provisions of IAS 24 – Related party disclosures also apply; under the Cassa Centrale Group's internal regulations, the following are identified as related parties:

Natural persons:

- executives and officers with strategic responsibilities (including Directors, Standing Auditors and General Management members) of the entity preparing the financial statements:
 - executives with strategic responsibilities are those who retain powers and responsibilities, directly or indirectly, pertaining to the planning, management and control of the Company's activities;
- the immediate family members of "executives and officers with strategic responsibilities":
 - close family members of a person are those family members who are expected to influence, or be influenced by, that person in their dealings with the entity, including:
 - children (even if not living together) and the spouse (even if legally separated) or common-law spouse of that person;
 - the children of the spouse or common-law spouse of that person;
 - the dependants of that person or the dependants of that person's spouse or common-law spouse for tax purposes;
 - the brothers, sisters, parents, grandparents and grandchildren – children of the children – even if not cohabitant, of that person.

Legal Entity/legal person:

- entity controlled (direct, indirect or joint control) by one of the persons referred to in the previous point (natural persons);
- entity that has significant influence over the entity preparing the financial statements as well as their subsidiaries and related joint ventures;
- CR/BCC/Raika belonging to the Cassa Centrale Group;
- the companies belonging to the Cassa Centrale Group (direct, indirect or joint control) as well as their subsidiaries;
- associates and joint ventures that prepare the financial statements and their subsidiaries;
- post-employment benefit plans for employees of the Group.

1. Information on compensation of executives with strategic responsibilities

Executives with strategic responsibilities are those which retain powers and responsibilities, directly or indirectly, pertaining to the planning, management and control of the Company's activities.

The table below shows, in compliance with the requirements of IAS 24, para. 17, the amount of compensation paid during the year to the members of the Management and Control Bodies as well as the compensation relating to other Executives with strategic responsibilities that fall within the notion of related party.

	MANAGEMENT BODIES		CONTROL BODIES		OTHER MANAGERS		TOTAL AT 31/12/2024	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Salaries and other short-term benefits	24	24	9	8	44	43	77	75
Benefits relative to the post-employment period (social security, insurance, etc.)	2	2	-	-	8	7	10	9
Other long-term benefits	-	-	-	-	1	-	1	-
Compensation for termination of employment	-	-	-	-	-	-	-	-
Payments in shares	-	-	-	-	-	-	-	-
Total	26	26	9	8	53	50	88	84

2. Information on transactions with related parties

The table below provides information on the balance sheet and income statement transactions with related parties during the period. It should be noted that transactions with related parties consolidated on a line-by-line basis are not included in this disclosure, as they are eliminated at consolidated level.

	Assets	Liabilities	Guarantees given	Guarantees received	Revenues	Costs
Associates	43	13	8	-	1	-
Directors and Executives	25	67	4	71	1	6
Other related parties	168	577	45	422	13	5
Total	236	657	57	493	15	11

It should be noted that "Other related parties" include the close relatives of Directors, Statutory Auditors and other Executives with strategic responsibilities, as well as subsidiaries, jointly-controlled companies and associates of the same parties or their close relatives.

Relations and transactions with related parties are attributable to ordinary credit and service activities and have normally developed during the year according to contingent needs or benefits, in the common interest of the parties. The conditions applied to individual relationships and transactions with such counterparties do not differ from current market conditions, or are aligned, if the conditions are met, with the conditions applied to employees.

Transactions with related parties do not have a significant incidence on the financial situation, economic result and cash flows of the Group.

PART I - Payment agreements based on own equity instruments

This section is not completed given that the Group has not entered into any payment agreements based on own equity instruments.

PART L - Segment reporting

INTRODUCTION

This section is prepared based on provisions of the international accounting standard IFRS 8 “Operating Segments”. The identification of the “operating segments” in this section is consistent with the methods adopted by the Company Management for making operational decisions and is based on the internal reporting used for resource allocation purposes to the different segments and analysing the related performance (IFRS 8 paragraph 5 Operating Segments).

Cassa Centrale Group’s operations by sectors of activity

Similarly to the organisational structure of the Group presented in the paragraph of the Report on Consolidated Operations “Main strategic business areas of the Cassa Centrale Group”, the entities belonging to the Cassa Centrale Group operate within the following operating segments:

- the Affiliated Banks, which represent the Group’s core business through the management of banking activities in the territory;
- the Industrial Group, including the Parent Company and the Companies that offer services to Affiliated Banks in finance, credit, insurance, ICT, NPLs and asset management.

It is also shown that within the “Intra-sectoral Relations” sector, the eliminations between entities belonging to different operating sectors are incorporated.

The Affiliated Banks, which represent the most important part of the Cooperative Banking Group’s consolidated assets and which operate with the aim of fostering the development of communities and the local economy, play a key role and are an important reference point for households and small and medium-sized enterprises. Their operations are in fact characterised by high customer funding deriving from historical ties with the territory to which they belong, a prevalence of loans to counterparties represented by households and small companies and a low loan-to-deposit ratio which, from a liquidity perspective, reflects the structural soundness of the Group and the investment of excess liquidity mainly in government bonds.

The Industrial Group, represented by the Parent Company and the subsidiaries and associates, operates in the following different areas of activity:

- ICT and back office services, with the subsidiary Allitude S.p.A.;
- leasing services, with the subsidiary Claris Leasing S.p.A.;
- insurance services, with the subsidiaries Assicura Agenzia S.r.l. and Assicura Broker S.r.l.;
- collective asset management services, with the subsidiary Nord Est Asset Management S.A.;
- consumer credit services, with the subsidiary Prestipay S.p.A.;
- other ancillary services, with the subsidiaries Centrale Soluzioni Immobiliari S.r.l. in liquidazione, Claris Rent S.p.A. and the associated company Centrale Trading S.r.l..

A. PRIMARY SCHEME

A.1 Breakdown by sectors of activity: income statement data

(figures in millions of euro)	31/12/2024			
	Total	Affiliated Banks	Industrial Group	Intra-sectoral relations
Interest income	3,452	3,288	483	(319)
Interest expenses	(996)	(945)	(370)	319
Net interest income	2,456	2,343	113	-
Net fees and commissions	837	703	134	-
Dividends	4	16	1	(13)
Net result on financial assets and liabilities in portfolio*	(262)	(239)	(22)	(1)
Net interest and other banking income	3,035	2,823	226	(14)
Net value adjustments/write-backs	123	123	-	-
Income from financial activities	3,158	2,946	226	(14)
Operating expenses**	(2,031)	(1,780)	(507)	256
Net allocations to provisions for risks and expenses	35	36	(1)	-
Other income (expenses)	223	167	312	(256)
Value adjustments to goodwill and other intangible assets	-	-	-	-
Profit (loss) from disposal of investments and equity investments	(10)	(11)	1	-
Gross current result	1,375	1,358	31	(14)
Income tax	(207)	(196)	(11)	-
Profit (loss) from discontinued operations	-	-	-	-
Profit (loss) for the period for minority interests	-	-	-	-
Net income of the Parent Company	1,168	1,162	20	(14)

* This item includes Net result from trading, Net result from hedging, Profit (loss) from disposal/repurchase of financial assets and liabilities, and Net result of other financial assets and liabilities measured at fair value through profit or loss.

** This item includes staff expenses, other administrative expenses and operating amortisation/depreciation.

The “Affiliated Banks” and the “Industrial Group” operating segments incorporate all consolidation entries (IC eliminations, equity eliminations, other consolidation adjustments) between Companies belonging to the same operating sector.

As for the “intra-sectoral relations” column, summary information is provided below on the main cases attributable to the income statement aggregates reported in table A.1:

- **net interest income:** contains the eliminations relating to income statement reports essentially attributable to the treasury activities in place between Affiliated Banks and the Parent Company;
- **dividends:** this is the elimination of the dividend disbursed by the Parent Company and received the Affiliated Banks;
- **trading:** mainly attributable to the effects arising from the consolidated accounting management of the Guarantee Agreement;
- **other administrative expenses and other operating income:** the eliminations are mainly attributable to the administrative expenses incurred by the Affiliated Banks for the activities for ICT Services and outsourcing provided by Allitude and, to a lesser extent, by the Parent Company.

A.2 Breakdown by sectors of activity: balance sheet data

(figures in millions of euro)	31/12/2024			
	Total	Affiliated Banks	Industrial Group	Intra-sectoral relations
Lending and funding to Customers				
Loans to customers	(48,614)	(45,824)	(2,855)	65
Customer funding	66,309	63,687	2,632	(10)
Lending and funding to Banks				
Loans to banks	(778)	(5,913)	(2,464)	7,599
Bank funding	1,291	1,876	7,069	(7,654)
Other financial assets	(32,335)	(27,938)	(6,201)	1,804
Securities portfolio	(32,259)	(27,868)	(6,126)	1,735
FVTPL securities portfolio	(141)	(138)	(23)	20
FVOCI securities portfolio	(9,899)	(9,421)	(1,413)	935
Securities at amortised cost	(22,219)	(18,309)	(4,690)	780
Derivatives portfolio	(76)	(70)	(75)	69
FVTPL trading derivatives	(6)	(1)	(74)	69
Hedging derivatives	(70)	(69)	(1)	-
Other financial liabilities	7,001	6,961	909	(869)
Financial liabilities held for trading	8	2	75	(69)
Financial liabilities at amortised cost	6,978	6,950	828	(800)
Hedging derivatives	15	9	6	-

The “Affiliated Banks” and the “Industrial Group” operating segments incorporate all consolidation entries (IC eliminations, equity eliminations, other consolidation adjustments) between Companies belonging to the same operating sector.

The intra-sectoral relations consist of:

- **lending and funding:** mainly attributable to the treasury reports in place between the Parent Company and the Affiliated Banks;
- **securities at FVOCI:** the item consists of the reclassification of the shares issued by the Parent Company and subscribed by the Affiliated Banks (EUR 928 million) as well as, residually, the elimination of the perpetual debt instruments (AT1) classified among Equity Instruments by the Affiliated Banks and subscribed by the Parent Company (EUR 7 million);
- **other financial assets and liabilities:** this mainly concerns the accounting reclassification of hedging derivatives stipulated between the Affiliated Banks and the Parent Company, traded and outsourced by the latter with leading third-party banking counterparties and amounting to approximately EUR 69 million.
The residual amounts are mainly attributable to the balance sheet created as a result of the Parent Company’s issue of financial liabilities within the Euro Medium Term Notes Programme (EMTN), which are part of the process of meeting MREL requirements. The funding deriving from these issues, in turn, is channelled by the Parent Company to the Affiliated Banks.

B. SECONDARY SCHEME

With regard to information by geographic area, relating to the breakdown of economic and financial data towards foreign countries (IFRS 8 paragraph 33 Information on geographical areas), please note that the Group’s activity is carried out almost exclusively in Italy.

In this regard, it should be noted that only NEAM, a Luxembourg-based asset management company wholly owned by Cassa Centrale Banca which manages the NEF Mutual Investment Fund, has net interest and other banking income, gross of the inter-company component, about EUR 18.3 million, received against collective asset management services.

PART M - Information on leasing

Section 1 – Lessee

Qualitative information

All the quantitative information relating to the rights of use acquired through lease, payables for leases and the related income statement components have already been presented in other sections of these Explanatory Notes.

Specifically

- information on rights of use acquired through lease is provided in Part B – Information on the Consolidated Balance sheet, Assets, Section 9 - Tangible assets and Section 10 - Intangible assets;
- information on payables for leases is provided in Part B – Information on the consolidated balance sheet, Liabilities, Section 1 – Financial liabilities measured at amortised cost;
- the information on interest expense on payables for leases and other charges related to rights of use acquired through lease, profits and losses deriving from sale and leaseback transactions and income deriving from sub-lease transactions, can be found in Part C – Information on the consolidated income statement, in the respective sections.

Reference is therefore made to the considerations set out in the aforementioned information parts.

As at 31 December 2024, there were no commitments formally undertaken by the Group on lease contracts not yet entered into, considered significant.

With reference to the costs relating to short-term leases, accounted for in accordance with paragraph 6 of IFRS 16, reference should be made to Part C - Information on the Income Statement.

Section 2 – Lessor

Qualitative information

The leasing activities carried out within the Group are mainly provided by Claris Leasing SpA; the latter, as lessor, carries out leasing activities exclusively of a financial nature.

The credit risk to which the company is exposed in the granting of finance lease transactions is, due to the nature of the transaction carried out, mitigated by the presence of the asset of which the lessor retains ownership until the final purchase option is exercised.

However, for greater protection and in correlation with the economic, equity and financial structure of the customer, guarantees ancillary to the main obligation are frequently required of a personal nature (in this case the surety). Atypical guarantees are also collected, such as a commitment to take over, a commitment to repurchase or the Medio Credito Centrale guarantee.

Quantitative information

1. BALANCE SHEET AND INCOME STATEMENT INFORMATION

For information on the balance sheet and income statement on financing for leases, please refer to the sections of the Explanatory Notes in the previous section.

2. FINANCE LEASES

2.1 Classification by time brackets of payments to be received and reconciliation with financing for leases recorded under assets

The following table shows the breakdown of payments to be received for leases by time brackets.

TIME BRACKETS	Total 31/12/2024	Total 31/12/2023
	Payments to be received for leases	Payments to be received for leases
Up to 1 year	221	207
Between 1 and 2 years	194	183
Between 2 and 3 years	151	149
Between 3 and 4 years	108	108
Between 4 and 5 years	70	65
Over 5 years	202	174
Reconciliation with loans	946	886
RECONCILIATION WITH LOANS		
Financial income not accrued (-)	113	124
Residual value not guaranteed (-)	(73)	(69)
Financing for leases	906	831

2.2 Other information

There is no further information to be provided in this section.

3. OPERATING LEASES

At the end of the reporting period, there were no such circumstances. This subsection does not contain any evaluation and is therefore omitted.

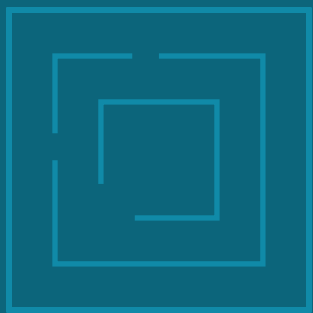
Annexes to the financial statements of the Cassa Centrale Group

Annex A) Audit and non-audit fees

(EUR million)

TYPE OF SERVICES	Company of the Deloitte Network	Fees
Auditing	Deloitte & Touche S.p.A.	2.6
Certification services	Deloitte & Touche S.p.A.	1.1
Total		3.7

It should be noted that the fees indicated do not include VAT and out-of-pocket expenses, while they include any balance of audit expenses relating to the 2024 financial statements.



03

Cassa Centrale Banca Report and Financial Statements

Cassa Centrale Banca Report on Operations 2024 Financial Year

1. Operating performance of Cassa Centrale Banca

Performance indicators

The main performance and risk indicators for the year ended 31 December 2024 are shown below.

RATIOS	31/12/2024	31/12/2023	% change
STRUCTURAL RATIOS			
Loans to customers* / Total assets	22.5%	13.4%	67.7%
Direct funding / Total assets	29.0%	18.1%	60.2%
Net equity / Total assets	9.8%	6.4%	54.1%
Net loans / Direct funding	77.8%	74.3%	4.7%
Loans to banks / Total assets	19.8%	58.2%	(65.9%)
Financial assets / Total assets	49.7%	23.1%	115.2%
PROFITABILITY INDICES			
Net profit / Net equity (ROE)	3.0%	2.6%	15.5%
Net profit / Total assets (ROA)	0.3%	0.2%	78.0%
Cost / Income**	85.8%	91.9%	(6.7%)
Interest margin / Net interest and other banking interest	31.1%	29.2%	6.6%
Net fees and commissions / Net interest and other banking interest	55.9%	50.0%	11.9%
Net interest and other banking interest / Total assets	1.6%	1.1%	52.6%

* Loans to customers include loans and advances to customers at amortised cost and fair value; thus differing from the exposures to customers shown in the financial statements.

** Indicator calculated as the ratio of operating costs (operating expenses, other allocations and other operating expenses/income) to net interest and other banking income.

At the end of 2024, 19.8% of the assets of Cassa Centrale Banca were loans to banks, down on the previous financial year due to reduced credit intermediation activity for central-bank funding operations of Affiliated Banks, linked to the maturity of ECB TLTRO-III operations.

Financial assets represented 49.7% of total assets, up from 2023. This is attributable to the growth in the securities portfolio against a contraction in total assets. Loans to customers stood at 22.5%, up YoY, primarily due to higher loans to subsidiaries.

The ratio of net loans to direct funding from customers at the end of 2024 was up, reaching 77.8%, as a result of growth that was less than proportionate to the ratio of direct funding to net loans.

The ratio of equity to total assets grew to 9.8%: the reduction in assets was accompanied by growth in equity up to EUR 1.2 billion.

Looking at the profitability indicators, ROE stood at 3.0%, up compared to 2023 (2.6%) as a result of greater profit for the year. The ROA³², calculated as the ratio of net profit to total assets, was 0.3%, up on the previous year.

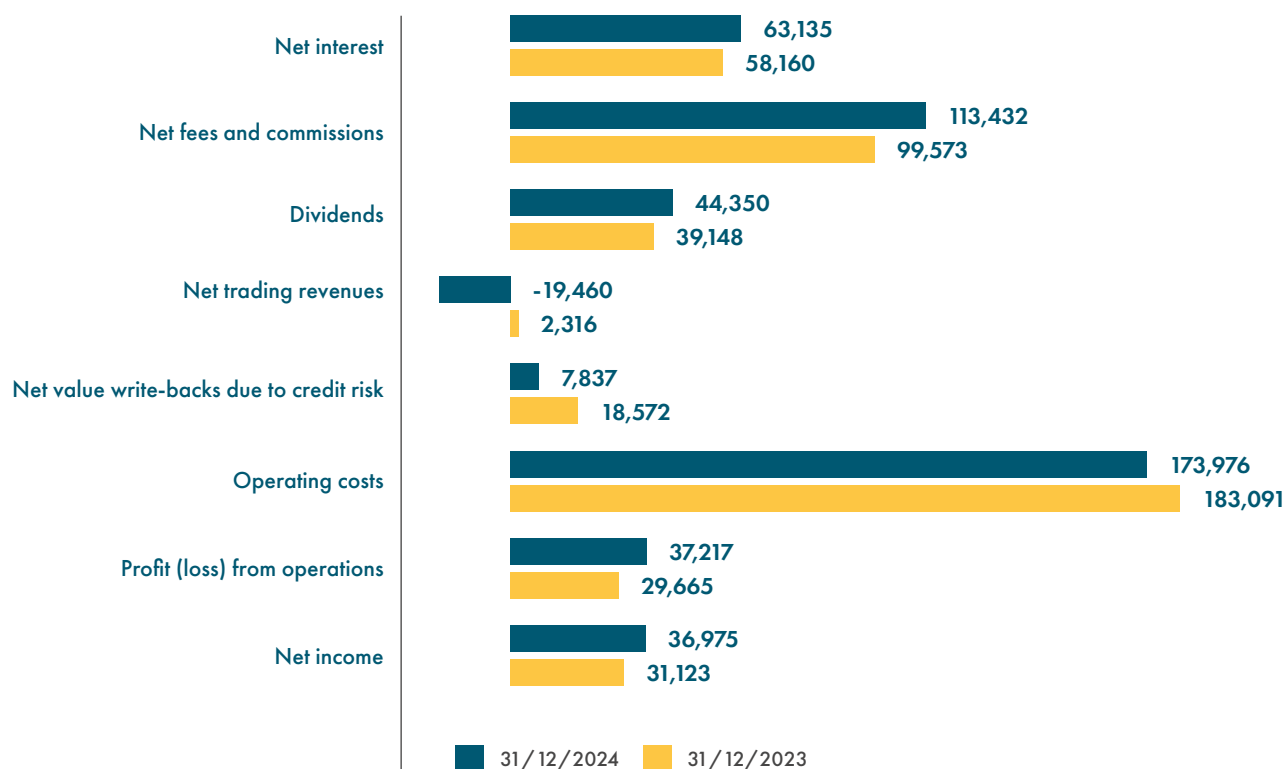
The ratio of net commissions to net interest and other banking income, of 55.9%, was higher than that recorded in the previous year, reflecting the increase in net commissions and a drop in the result from financial operations.

The growth in the ratio of net interest and other banking income to total assets, 1.6%, reflects the larger decrease in total assets than the one recorded by net interest and other banking income.

Summary of results

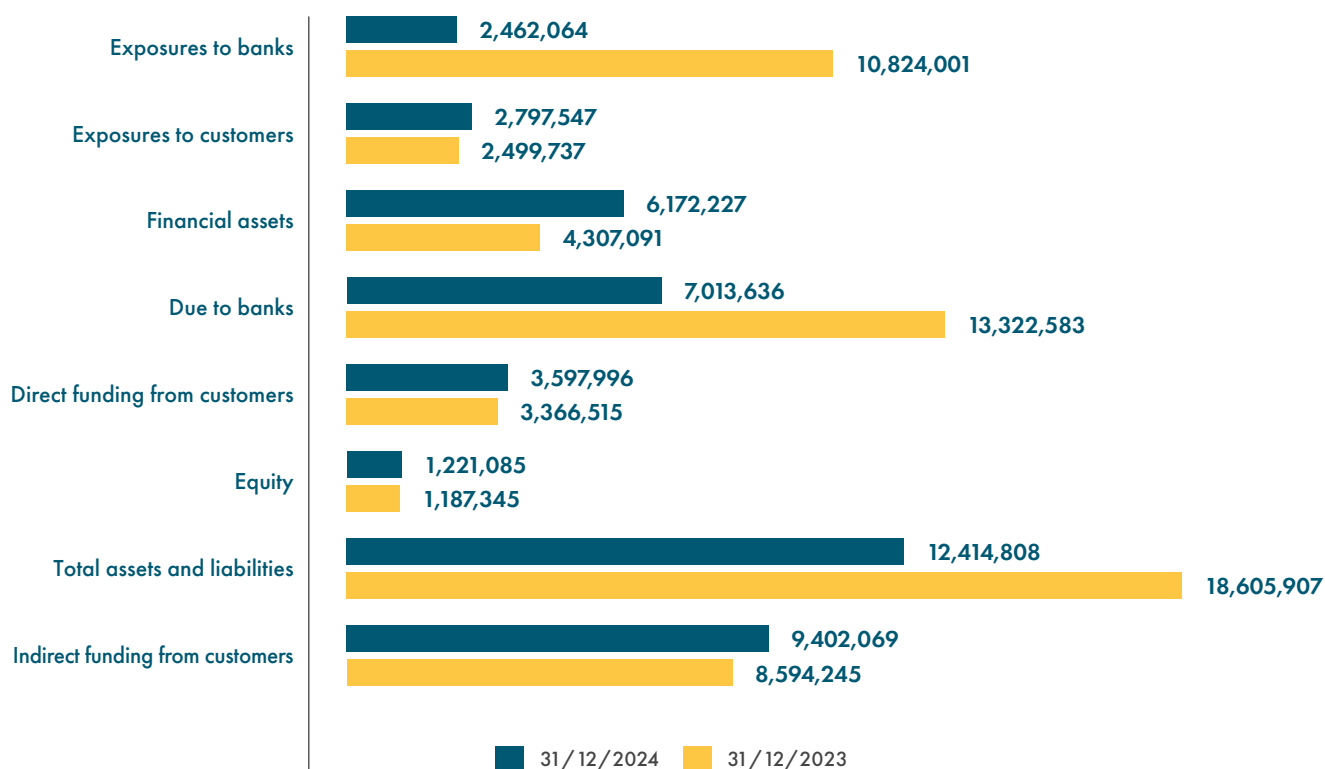
A graphic representation of the results of the main items in the income statement and balance sheet is provided below. Please refer to the specific sections for details of individual items.

Income statement figures (thousands of euro)



³² The ROA is calculated pursuant to Directive (EU) 36/2013 (CRD IV).

Balance sheet figures (thousands of euro)



Economic results

Reclassified income statement³³

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Net interest income	63,135	58,160	4,974	8.6%
Net fees and commissions	113,432	99,573	13,859	13.9%
Dividends	44,350	39,148	5,202	13.3%
Net revenues (expenses) from financial activities ⁽¹⁾	(18,085)	2,294	(20,379)	n.s.
Net interest and other banking income	202,832	199,175	3,657	1.8%
Net value adjustments/write-backs	7,858	18,551	(10,693)	(57.6%)
Income from financial activities	210,690	217,726	(7,036)	(3.2%)
Operating expenses ⁽²⁾	(274,355)	(225,741)	(48,614)	21.5%
Net allocations to provisions for risks and expenses	(1,055)	1,242	(2,298)	n.s.
Other income (expenses)	101,434	41,408	60,026	n.s.
Profit (loss) from disposal of investments and equity investments	504	(4,970)	5,474	n.s.
Gross current result	37,217	29,665	7,553	25.5%
Income tax	(243)	1,458	(1,701)	n.s.
Net result	36,975	31,123	5,852	18.8%

(1) This item includes Net result from trading, Profit/(loss) from disposal/repurchase of financial assets, and Net result from other financial assets and liabilities designated at fair value through profit or loss and the net result from hedging.

(2) This item includes staff expenses, other administrative expenses and operating amortisation/depreciation.

Net interest and other banking income for Cassa Centrale Banca in 2024 was 202.8 million, up by 3.7 million compared to 2023.

This growth is primarily attributable to the contribution of net commissions, at EUR 113.4 million against EUR 99.6 million in 2023. Net interest income was also up (EUR 63.1 million), as well as dividends (EUR 44.4 million), which more than offset the net expenses from financial activities (EUR -18.1 million).

As for value adjustments to loans, in 2024, there were net write-backs for EUR 7.9 million, the main ones being attributable to write-backs on NPL positions for approximately 5.6 million, and net write-backs on ordinary performing loans for approximately EUR 2.4 million.

Operating expenses are up EUR 48.6 million due mainly to the trend in other administrative expenses. This trend reflects the continuous process of adaptation to the role of Parent Company assumed by Cassa Centrale Banca and the expenses necessary to support the operational and strategic objectives.

There were net allocations to provisions for risks and expenses of EUR 1.1 million, against net write-backs to provisions of EUR 1.2 million for the previous year. The total includes provisions of EUR 1.9 million, for credit risk associated with commitments and financial guarantees, and EUR 0.9 million for write-backs on "Other provisions for risks and charges".

Other income and expenses amounted to EUR 101.4 million, up on the previous year by EUR 60.0 million. The increase is mainly attributable to recoveries with Affiliated Banks supporting investments made strategic Group projects.

Profit from disposal of investments and equity investments is EUR 0.5 million, primarily reflecting the effect of liquidation of the investment in Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidazione.

³³ In order to provide a better management representation of the results, the reclassified income statement figures differ from the layouts of the Financial statements envisaged by Bank of Italy Circular 262 of 2005, and subsequent updates.

The gross current result in 2024 was EUR 37.2 million, up on the previous year. Taxes were around EUR 0.2 million, for a net profit of EUR 36.9 million, up EUR 5.9 million YoY.

Reconciliation of consolidated income statement and reclassified income statement

(Figures rounded to nearest euro unit)	31/12/2024	31/12/2023
Net interest income	63,135	58,160
Item 30 - Net interest income	63,135	58,160
Net fees and commissions	113,432	99,573
Item 60 - Net fees and commissions	113,432	99,573
Dividends	44,350	39,148
Item 70 - Dividend and similar income	44,350	39,148
Net result on financial assets and liabilities in portfolio	(18,085)	2,294
Item 80 - Net result from trading	6,289	1,398
Item 90 - Net result from hedging	1,375	(22)
Item 100 - Profit (loss) from disposal/repurchase of financial assets and liabilities.	(21,090)	3,712
Item 110 - Net result on other financial assets and liabilities measured at fair value through profit or loss	(4,660)	(2,795)
Net interest and other banking income	202,832	199,175
Item 120 - Net interest and other banking income	202,832	199,175
Net value adjustments/write-backs due to credit risk	7,858	18,551
Item 130 - Net value adjustments/write-backs due to credit risk	7,837	18,572
Item 140 - Profit/loss from contractual changes without derecognitions	21	(21)
Income from financial activities	210,690	217,726
Operating expenses	(274,355)	(225,741)
Item 160 - Administrative expenses	(270,052)	(222,378)
Item 180 - Net value adjustments/write-backs to tangible assets	(4,214)	(3,152)
Item 190 - Net value adjustments/write-backs to intangible assets	(90)	(211)
Net allocations to provisions for risks and expenses	(1,055)	1,242
Item 170 - Net allocations to provisions for risks and expenses	(1,055)	1,242
Other net income (expenses)	101,434	41,408
Item 200 - Other operating expenses/income	101,434	41,408
Item 230 - Net result of fair value measurement of tangible and intangible assets	-	-
Item 240 - Value adjustments to goodwill	-	-
Profits (losses) from disposal of investments and equity investments	504	(4,970)
Item 220 - Profit (loss) on equity investments	441	(4,976)
Item 250 - Profit (loss) from disposal of investments	62	6
Gross current result	37,217	29,665
Item 260 - Profit (loss) before tax from current operating activities	37,217	29,665
Income tax	(243)	1,458
Item 270 - Income taxes for the year on current operating activities	(243)	1,458
Profits (losses) after tax from discontinued operations	-	-
Item 290 - Profit (loss) after tax from discontinued operations	-	-
Net result	36,975	31,123

Net interest income

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Financial assets measured at amortised cost not comprising loans	77,924	62,222	15,702	25.2%
Other financial assets and liabilities measured at FVTPL	5,710	5,997	(288)	(4.8%)
Other financial assets measured at FVOCI	37,238	19,901	17,337	87.1%
Financial instruments	120,872	88,121	32,751	37.2%
Net interest to customers (loans)	73,043	62,373	10,672	17.1%
Debt securities in issue	(42,458)	(37,932)	(4,526)	11.9%
Customer relations	30,585	24,441	6,143	25.1%
Net interest to banks	(52,958)	(3,720)	(49,238)	n.s.
Differentials on hedging derivatives	5,632	12	5,619	n.s.
Other net interest	(40,996)	(50,693)	9,697	(19.1%)
Total net interest income	63,135	58,160	4,975	8.6%

The net interest income for 2024 amounted to 63.1 million, an increase on the previous year (58.2 million), with a contribution to net interest and other banking income equal to 31%.

For Cassa Centrale Banca, the aggregate represents a significant revenue item and is especially attributable to income flows related to the financial instruments in the securities portfolio, for EUR 120.9 million in 2024, a notable increase on the approximately EUR 88.1 million of the previous year, as a result of growth in amounts and average yields of the property portfolio.

Net interest from intermediation with customers, for EUR 30.6 million, also increased from the EUR 24.4 million in 2023. More specifically, interest income from loans grew by EUR 10.7 million, mainly due to the increase in loans to ordinary customers and subsidiary companies. Growth in interest income was partially offset by greater interest expenses from debt securities in issue, attributable to bond loans issued on the wholesale market and the issue aimed at retail customers of the Group.

Net interest to banks was negative for EUR 53.0 million. The negative trend compared to the previous year derives from a reduction in traded asset volumes and greater funding from Affiliated Banks through term deposits.

The item "Other net interest" includes the operating reclassification of net interest income referring to the intermediation activities of repos with Euronext Clearing. The positive change is primarily attributable to rate cuts in 2024.

Net fees and commissions

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Fees and commissions income	255,286	227,108	28,179	12.4%
Financial instruments	105,843	98,934	6,909	7.0%
Custody and administration	4,808	4,517	290	6.4%
Payment services	104,778	93,723	11,055	11.8%
Breakdown of third party services	1,736	1,372	364	26.5%
Financing transactions	1,273	1,794	(551)	(29.0%)
Other fees and commissions income	36,848	26,768	10,081	37.7%
Fees and commissions expenses	(141,854)	(127,534)	(14,320)	11.2%
Financial instruments	(68,186)	(64,522)	(3,664)	5.7%
Offsetting and settlement	(49)	(47)	(2)	3.5%
Custody and administration	(1,586)	(1,478)	(108)	7.3%
Collection and payment services	(60,514)	(56,217)	(4,297)	7.6%
Other fees and commissions expenses	(11,519)	(5,270)	(6,250)	118.6%
Total net fees and commissions	113,432	99,573	13,859	13.9%

In 2024, net commissions represented the main revenue item for Cassa Centrale Banca, confirming the Parent Company's operations focused on the provision of services to support its Affiliated Banks and other customer banks. Net fees and commissions amounted to approximately 113.4 million, an increase compared to the previous year (99.6 million).

In particular, fees and commissions income, amounting to 255.3 million, consisted of 41% of commissions relating to financial instruments (105.8 million) and 41% of fees and commissions income linked to payment services (104.8 million).

Commissions related to financial instruments in particular increased by 6.9 million, driven especially by the commissions deriving from asset management. Fees and commissions income related to payment services increased by 11.1 million year-on-year, where the main revenue item is commissions in the e-money segment.

Total fee and commission expense amounted to EUR 141.9 million, an annual increase of EUR 14.3 million, which mirrors that of fees and commissions income. This increase is mainly attributable to the higher fees and commissions expenses from fees and commissions expenses (which rose from 64.5 million to 68.2 million) and by the higher fees and commissions expenses from collection and payment services, which were EUR 60.5 million, against EUR 56.2 million last year.

Net result from financial operations

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Financial assets and liabilities held for trading	6,289	1,398	4,891	n.s.
- Debt securities	139	110	28	25.8%
- UCITS units	-	-	-	
- Derivative instruments	8,136	398	7,737	n.s.
- Other	(1,985)	890	(2,875)	n.s.
Net income from the sale of financial assets and liabilities	(21,090)	3,712	(24,802)	n.s.
Net result from hedging	1,375	(22)	1,397	n.s.
Dividends and similar income	44,350	39,148	5,202	13.3%
Net change in value of other financial assets and liabilities	(4,660)	(2,795)	(1,865)	66.7%
Total result from financial operations	26,265	41,442	(15,177)	(36.6%)

The result of financial operations of Cassa Centrale Banca represents approximately 13% of net interest and other banking income. In 2024, this item stood at EUR 26.3 million and was mostly represented by dividends received from subsidiaries, amounting to EUR 44.4 million, up EUR 5.2 million on the previous year.

The other items of the result of financial operations are represented by net income from the sale of financial assets and liabilities, which was down significantly compared to the previous year (EUR -24.8 million). This drop can be attributed to losses in the year, mainly due to repositioning of the securities portfolio aimed at redefining, with regard to diversification, the relative weightings of counterparty issuers and the duration of the portfolio.

Operating costs

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Administrative expenses	(270,052)	(222,378)	(47,674)	21.4%
- staff expenses	(81,631)	(71,535)	(10,096)	14.1%
- other administrative expenses	(188,421)	(150,843)	(37,578)	24.9%
Operating amortisation/depreciation	(4,304)	(3,363)	(940)	28.0%
Other net allocations	(1,055)	1,242	(2,298)	n.s.
-of which on commitments and guarantees	(1,921)	370	(2,291)	n.s.
Other operating expenses/income	101,434	41,408	60,026	n.s.
Total operating costs	(173,976)	(183,091)	9,115	(5.0%)

Operating costs amounted to EUR 174.0 million and decreased by approximately EUR 9.1 million compared to the previous year. The positive change is attributable mainly to recovery of costs incurred by the Parent Company on behalf of the Affiliated Banks, including centralised services relating to the performance of the activities of the corporate control functions, and recovery of costs incurred by the Parent Company for strategic and general Group activities.

Staff expenses amounting to EUR 81.6 million increased by EUR 10.1 million and are related to growth of the company, which took the number of employees from 752 at the end of 2023 to 851 at the end of 2024, in addition to renewal of the collective bargaining agreement for the sector.

Other administrative expenses amounted to EUR 188.4 million and increased year-on-year by EUR 37.6 million. These costs are mainly related to IT consultancy and development, where IT services provided by Allitude S.p.A. are considered, in accordance

with supervisory regulations, as not externalised and their increase is connected with strategic Group projects and strengthening of controls of Cassa Centrale Banca as Parent Company of the Banking Group.

As at 31 December 2024, operating amortisation/depreciation amounted to EUR 4.3 million, an increase of approximately EUR 0.9 million compared to 2023. On the other hand, net allocations amounted to EUR -1.1 million, with a YoY change linked primarily to provisions for risks and expenses in 2024.

As at 31 December 2024, the cost-income ratio of Cassa Centrale Banca, calculated as the ratio of operating costs to net interest and other banking income, stood at 85.8%, down from 91.9% in the previous year.

Value adjustments

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Loans to customers	6,523	15,280	(8,757)	(57.3%)
- of which write-offs	-	-	-	
Loans to banks	1,442	3,397	(1,955)	(57.6%)
OCI debt securities	(128)	(106)	(23)	(21.7%)
Contractual changes without derecognitions	21	(21)	43	n.s.
(Net value adjustments)/write-backs	7,858	18,551	(10,693)	(57.6%)

During 2024, net value write-backs of Cassa Centrale Banca amounted to 7.9 million, a significant decrease on the previous year (-10.7 million).

The main factors are write-backs on loans to customers and in particular write-backs on non-performing loans (EUR +5.6 million) and ordinary performing loans (EUR +2.4 million).

Financial position aggregates

Reclassified balance sheet³⁴

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
ASSETS				
Cash and cash equivalents	215,782	214,085	1,697	0.8%
Exposures to banks	2,462,064	10,824,001	(8,361,937)	(77.3%)
Exposures to customers	2,797,547	2,499,737	297,809	11.9%
<i>of which at fair value</i>	5,310	25,381	(20,072)	(79.1%)
Financial assets	6,172,227	4,307,091	1,865,137	43.3%
Equity investments	248,298	255,647	(7,349)	(2.9%)
Tangible and intangible assets	51,368	25,972	25,396	97.8%
Tax assets	25,581	35,962	(10,380)	(28.9%)
Other asset items	441,933	443,413	(1,480)	(0.3%)
Total assets	12,414,800	18,605,907	(6,191,107)	(33.3%)
LIABILITIES				
Due to banks	7,013,636	13,322,583	(6,308,946)	(47.4%)
Direct funding	3,597,996	3,366,515	231,480	6.9%
<i>- Due to customers</i>	2,769,869	2,639,279	130,589	4.9%
<i>- Debt securities in issue</i>	828,127	727,236	100,891	13.9%
Other financial liabilities	81,180	78,165	3,015	3.9%
Provisions (Risks, expenses and personnel)	25,914	26,660	(746)	(2.8%)
Tax liabilities	2,611	4,982	(2,371)	(47.6%)
Other liability items	472,378	619,656	(147,278)	(23.8%)
Total liabilities	11,193,715	17,418,562	(6,224,847)	(35.7%)
Equity	1,221,085	1,187,345	33,740	2.8%
Total liabilities and equity	12,414,800	18,605,907	(6,191,107)	(33.3%)

As at 31 December 2024, the total assets of Cassa Centrale Banca amounted to EUR 12.4 billion, a decrease of EUR 6.2 billion compared to the previous year. The drop is attributable to a reduction in exposures to banks, amounting to EUR 8.4 billion, due to lower brokered loans from ECB refinancing operations connected to TLTRO-III operations.

Financial assets were the main item amongst assets and amounts to EUR 6.2 billion, with a significant increase YoY. Exposures to customers grew compared to the previous financial year by approximately EUR 298 million.

Lastly, the item "other assets", which increased from approximately EUR 443 million in 2023 to EUR 442 million in 2024, includes tax credits, equal to around EUR 122 million.

Liabilities consist mainly of amounts due to banks of EUR 7.0 billion, down by approximately EUR 6.3 billion YoY. This change reflects the reduction in European Central Bank refinancing. Direct funding of EUR 3.6 billion is up EUR 0.3 billion compared to the previous year. This reflects the initial issue of a bond loan for retail customers of the Group.

Equity, including profit for the period, amounts to EUR 1.2 billion.

³⁴ In order to provide a better management representation of the results, the balance sheet figures differ from the layouts of the Financial statements envisaged by Bank of Italy Circular 262 of 2005, and subsequent updates.

Reconciliation of consolidated balance sheet and reclassified balance sheet

(Figures rounded to nearest euro unit)	31/12/2024	31/12/2023
Cash and cash equivalents	215,782	214,085
Item 10 (partial) - Cash and cash equivalents - Cash	215,782	214,085
Loans to banks	2,462,064	10,824,001
Item 10 (partial) - Cash and cash equivalents - Current accounts and deposits on demand with banks	39,158	50,087
Item 20a (partial) - Financial assets held for trading - Loans to banks	-	-
Item 20b (partial) - Financial assets designated at fair value - Loans to banks	-	-
Item 20c (partial) - Other financial assets mandatorily measured at fair value - Loans to banks	-	-
Item 30 (partial) - Financial assets measured at fair value through other comprehensive income - Loans to banks	-	-
Item 40a (partial) - Financial assets measured at amortised cost - Loans to banks (excluding debt securities)	2,422,905	10,773,914
Loans to customers	2,797,547	2,499,737
Item 20a (partial) - Financial assets held for trading - Loans (counterparties other than banks)	-	-
Item 20b (partial) - Financial assets designated at fair value - Loans (counterparties other than banks)	-	-
Item 20c (partial) - Other financial assets mandatorily measured at fair value - Loans (counterparties other than banks)	5,310	25,381
Section 30 - Financial assets measured at fair value through other comprehensive income - Loans (counterparties other than banks)	-	-
Item 40b (partial) - Financial assets measured at amortised cost - Loans to customers (excluding debt securities)	2,792,237	2,474,356
Item 60 - Fair value change of financial assets in hedged portfolios (+/-)	-	-
Financial assets	6,172,227	4,307,091
Item 20a (partial) - Financial assets held for trading - Debt securities, Equity securities, UCITS units and Derivative instruments	73,891	78,627
Item 20b (partial) - Financial assets designated at fair value - Debt securities	184,535	184,207
Item 20c (partial) - Other financial assets mandatorily measured at fair value - Equity securities, Debt securities and UCITS units	3,117	28,826
Item 30 (partial) - Financial assets measured at fair value through other comprehensive income - Debt securities and Equity securities	1,260,082	943,427
Item 40a (partial) - Financial assets measured at amortised cost - Loans to banks (debt securities)	955,030	1,097,442
Item 40b (partial) - Financial assets measured at amortised cost - Loans to customers (debt securities)	3,694,588	1,974,562
Item 50 - Hedging derivatives	984	-
Equity investments	248,298	255,647
Item 70 - Equity investments	248,298	255,647
Tangible and intangible assets	51,368	25,972
Item 80 - Tangible assets	51,276	25,835
Item 90 - Intangible assets	92	137
Tax assets	25,581	35,962
Item 100 - Tax assets	25,581	35,962
Other asset items	441,933	443,413
Item 110 - Non-current assets and groups of assets held for disposal	-	-
Item 120 - Other assets	441,933	443,413
Total assets	12,414,800	18,605,907

(Figures rounded to nearest euro unit)	31/12/2024	31/12/2023
Due to banks	7,013,636	13,322,583
Item 10a - Financial liabilities measured at amortised cost - Due to banks	6,836,836	13,146,935
Item 20 (partial) - Financial liabilities held for trading - Due to banks	-	-
Item 30 (partial) - Financial liabilities designed at fair value - Due to banks	176,801	175,647
Direct funding	3,597,996	3,366,515
- Due to customers	2,769,869	2,639,279
Item 10b - Financial liabilities measured at amortised cost - Due to customers	2,769,869	2,639,279
Item 20 (partial) - Financial liabilities held for trading - Due to customers	-	-
Item 30 (partial) - Financial liabilities designed at fair value - Due to customers	-	-
- Debt securities in issue	828,127	727,236
Item 10c - Financial liabilities measured at amortised cost - debt securities in issue	828,127	727,236
Other financial liabilities	81,180	78,165
Item 20 (partial) - Financial liabilities held for trading - Debt securities	-	-
Item 20 (partial) - Financial liabilities held for trading - Derivative instruments	69,507	77,856
Item 30 (partial) - Financial liabilities measured at fair value - Debt securities	-	-
Item 40 - Hedging derivatives	11,673	310
Provisions (Risks, expenses and personnel)	25,914	26,660
Item 90 - Provision for severance indemnity	897	1,065
Item 100 - Provisions for risks and charges	25,017	25,595
Tax liabilities	2,611	4,982
Item 60 - Tax liabilities	2,611	4,982
Other liability items	472,378	619,656
Item 50 - Adjustment of financial liabilities subject to macro-hedging	-	-
Item 70 - Liabilities associated with assets held for disposal	-	-
Item 80 - Other liabilities	472,378	619,656
Total liabilities	11,193,716	17,418,562
Equity	1,221,085	1,187,345
Item 110 - Valuation reserves	5,400	(6,108)
Item 120 - Repayable shares	-	-
Item 130 - Equity instruments	-	-
Item 140 - Reserves	207,650	191,270
Item 150 - Share premium	19,029	19,029
Item 160 - Equity	952,032	952,032
Item 170 - Own shares (-)	-	-
Item 180 - Profit (loss) for the year (+/-)	36,975	31,123
Total liabilities and equity	12,414,800	18,605,907

Total customer funding

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Current accounts and deposits on demand	956,726	585,933	370,794	63.3%
Fixed-term deposits	51,039	47,061	3,979	8.5%
Repos and securities lending	1,391,072	1,599,692	(208,620)	(13.0%)
Bonds	828,127	727,236	100,891	13.9%
Other funding	371,031	406,594	(35,563)	(8.7%)
Direct funding	3,597,996	3,366,515	231,480	6.9%

The total amount of direct funding from customers at the end of the year was EUR 3.6 billion, up compared to the previous year (EUR +0.2 billion). This growth is mainly attributable to the current accounts and deposits on demand segment, up EUR 371 million due to the increase in current account balances dedicated to the "PIP Cash" asset management schemes, an initiative within the asset management sector extended throughout the year, and to the increase in bonds issued, as a result of the bond loan issue for retail customers of the Group with a nominal value of EUR 100 million, allocated by the distribution network of the Affiliated Banks.

Refinancing transaction in the form of repos with EuroNext Clearing (EUR -0.2 billion) are down compared to the previous financial year

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Assets under management	4,163,047	3,527,376	635,670	18.0%
Mutual funds and SICAVs	386,880	337,503	49,377	14.6%
Asset management	3,761,951	3,182,894	579,057	18.2%
Banking-insurance products	14,216	6,980	7,236	n.s.
Assets under administration	5,239,022	5,066,868	172,154	3.4%
Bonds	4,355,484	4,357,551	(2,068)	(0.0%)
Shares	883,538	709,317	174,221	24.6%
Indirect funding ⁽¹⁾	9,402,069	8,594,245	807,824	9.4%

(1) Indirect funding is expressed at market values.

At the end of 2024, Cassa Centrale Banca's indirect funding³⁵, amounted to approximately EUR 9.4 billion, 44% of which was represented by asset management, equal to approximately EUR 4.2 billion. Assets under administration amounted to EUR 5.2 billion and represent 56% of volumes.

Overall funding from customers of Cassa Centrale Banca stood at approximately 13.0 billion, a 8.7% increase compared to the 12.0 billion in 2023, and is formed of direct funding for 28% and indirect funding for 72%, thus maintaining a composition in line with the previous year.

% COMPOSITION OF CUSTOMER FUNDING	31/12/2024	31/12/2023	% change
Direct funding	27.7%	28.1%	(1.7%)
Indirect funding	72.3%	71.9%	0.7%

³⁵ Indirect funding refer to the component placed by Cassa Centrale Banca directly with customers and does not include the component placed through banks.

Net loans to customers

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Loans at amortised cost	2,792,237	2,474,356	317,881	12.8%
Mortgage loans	1,728,190	1,422,830	305,360	21.5%
Current accounts	829,078	885,807	(56,729)	(6.4%)
Other loans	230,794	160,085	70,709	44.2%
Impaired assets	4,176	5,634	(1,459)	(25.9%)
Loans at fair value	5,310	25,381	(20,072)	(79.1%)
Total net loans to customers	2,797,547	2,499,737	297,809	11.9%

Net loans to customers at the end of the year totalled EUR 2.8 billion, comprising mortgages of EUR 1.7 billion and current accounts of approximately EUR 829 million. Other loans include exposure to EuroNext Clearing deriving from margins paid in cash and default funds.

The growth in net loans to customers is primarily attributable to an increase in the mortgage component, which has grown around EUR 305 million, mainly due to the granting of loans to the subsidiary Prestipay to support business development activity.

Credit quality

Cassa Centrale Banca adopts a conservative policy in the valuation of impaired loans. Loans granted to customers are the main sources associated with credit risk, and the Bank carefully controls and monitors this area. A summary of loans to customers by degree of risk is provided below.

Customer loans

(Figures in thousands of euro)	31/12/2024			
	Gross exposure	Writedowns	Net exposure	Coverage
Impaired exposures at amortised cost	19,222	(15,047)	4,176	78.3%
- Non-performing	5,665	(5,312)	353	93.8%
- Unlikely to pay	13,557	(9,734)	3,823	71.8%
- Overdue/past due	-	-	-	-
Performing exposures at amortised cost	2,820,869	(32,808)	2,788,061	1.2%
Total customer loans at amortised cost	2,840,091	(47,854)	2,792,237	1.7%
Impaired exposures at fair value	251	(251)	-	100.0%
Performing exposures at fair value	5,310	-	5,310	0.0%
Total customer loans at fair value	5,560	(251)	5,310	4.5%
Total customer loans	2,845,651	(48,105)	2,797,547	1.7%

(Figures in thousands of euro)	31/12/2023			
	Gross exposure	Writedowns	Net exposure	Coverage
Impaired exposures at amortised cost	26,880	(21,245)	5,634	79.0%
- Non-performing	6,844	(5,985)	859	87.5%
- Unlikely to pay	20,036	(15,260)	4,776	76.2%
- Overdue/past due	-	-	-	
Performing exposures at amortised cost	2,502,760	(34,039)	2,468,721	1.4%
Total customer loans at amortised cost	2,529,640	(55,284)	2,474,356	2.2%
Impaired exposures at fair value	287	(287)	-	100.0%
Performing exposures at fair value	25,381	-	25,381	0.0%
Total customer loans at fair value	25,668	(287)	25,381	1.1%
Total customer loans	2,555,308	(55,571)	2,499,737	2.2%

As at 31 December 2024, Cassa Centrale Banca's net performing exposures amounted to approximately EUR 2.8 billion, an increase of approximately EUR 299 million compared to the previous year.

Total net impaired loans amounted to approximately EUR 4.2 million, down compared to the previous year by EUR 1.5 million; net bad loans amounted to approximately EUR 0.4 million and had a coverage level of 93.8%, while unlikely to pay, net of value adjustments, amounted to EUR 3.8 million, with a coverage level of 71.8%.

The table below shows the main risk management indicators³⁶.

RISK MANAGEMENT RATIOS	31/12/2024	31/12/2023
NPL ratio	0.7%	1.1%
NPL coverage	78.6%	79.0%

With regard to asset quality, as at 31 December 2024, Cassa Centrale Banca's NPL ratio was 0.7%, placing it at a significant level, thanks to a slight reduction of 0.4 percentage points seen during the year.

The overall level of coverage of impaired loans stood at 78.6%, in line with the value for 2023, and remaining among the leaders in the Italian banking market.

³⁶ The NPL ratio is calculated as the ratio of gross impaired loans to total gross loans to customers (given the importance of the loans to banks component for Cassa Centrale Banca, it was considered appropriate to exclude this item from the calculation of the index), while the NPL coverage is calculated on the basis of the EBA data model (EBA methodological guidance on risk indicators, last updated October 2021). In calculating the NPL ratio on the basis of the EBA data model, the value of the index for 2024 would be 0.37%, up slightly since the end of 2023.

Composition of financial instruments

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
SECURITIES PORTFOLIO				
Trading book assets (FVTPL)	187,652	213,033	(25,381)	(11.9%)
Trading book liabilities (FVTPL)	-	-	-	
Financial liabilities	-	-	-	
Banking book assets (FVOCI)	1,260,082	943,427	316,655	33.6%
Financial fixed assets excluding loans (AC)	4,649,618	3,072,004	1,577,614	51.4%
Total securities portfolio	6,097,352	4,228,464	1,868,888	44.2%
DERIVATIVES PORTFOLIO				
Trading assets (FVTPL)	73,891	78,627	(4,736)	(6.0%)
Trading liabilities (FVTPL)	(69,507)	(77,856)	8,348	(10.7%)
Total derivatives portfolio	4,384	771	3,613	n.s.
TOTAL FINANCIAL INSTRUMENTS	6,101,736	4,229,235	1,872,501	44.3%

As at 31 December 2024, total financial instruments amounted to EUR 6.1 billion, up by EUR 1.9 billion compared to the end of 2023. The portfolio consists of 76% of assets classified under BV, 21% under FVOCI and 3% under FVTPL. Compared to the previous year, there was a 51.4% increase in the exposure of financial assets classified at amortised cost.

The OTC derivatives activity is mainly aimed at hedging the interest rate risk of Group's banking book.

Financial assets

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Debt securities	6,049,537	4,179,530	1,870,007	44.7%
- Obligorily measured at fair value (FVTPL)	23	23	0	1.1%
- Measured at fair value (FVTPL)	184,535	184,207	328	0.2%
- Measured at fair value through other comprehensive income (FVOCI)	1,215,361	923,297	292,064	31.6%
- Measured at amortised cost (AC)	4,649,618	3,072,004	1,577,614	51.4%
Equity securities	44,721	20,130	24,591	n.s.
- Measured at fair value through other comprehensive income (FVOCI)	44,721	20,130	24,591	n.s.
UCITS units	3,094	28,803	(25,710)	(89.3%)
- Obligorily measured at fair value (FVTPL)	3,094	28,803	(25,710)	(89.3%)
Total financial assets	6,097,352	4,228,464	1,868,888	44.2%

At the end of December 2024, financial assets amounted to EUR 6.1 billion, up by EUR 1.9 billion compared to the same period in 2023, and consisted mainly of debt securities (99%). The latter mostly consist of government securities of euro area countries or supranational issuers.

Exposure to the banking system: net financial position

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Loans to Central Banks	642,157	576,057	66,100	11.5%
Loans to other banks	1,819,907	10,247,944	(8,428,037)	(82.2%)
- Current accounts and deposits on demand	33,798	46,587	(12,789)	(27.5%)
- Fixed-term deposits	695,941	382,303	313,638	82.0%
- Repos	-	-	-	
- Other loans	1,090,168	9,819,054	(8,728,887)	(88.9%)
Total loans (A)	2,462,064	10,824,001	(8,361,937)	(77.3%)
Due to Central Banks	(300,158)	(9,435,594)	9,135,436	(96.8%)
Due to other banks	(6,713,479)	(3,886,989)	(2,826,490)	72.7%
- Current accounts and deposits on demand	(2,334,010)	(2,652,176)	318,166	(12.0%)
- Fixed-term deposits	(3,765,976)	(1,113,920)	(2,652,056)	n.s.
- Repos	(609,396)	(119,908)	(489,488)	n.s.
- Other loans	(4,097)	(985)	(3,111)	n.s.
Total payables (B)	(7,013,636)	(13,322,583)	6,308,946	(47.4%)
NET FINANCIAL POSITION (A-B)	(4,551,573)	(2,498,582)	(2,052,991)	82.2%

As at 31 December 2024, total loans to banks amounted to EUR 1.8 billion, a significant reduction of EUR 8.4 billion compared to the end of 2023, due to lower brokered loans with maturity of the ECB refinancing connected to TLTRO-III operations. These loans to Affiliated Banks are included in the item "Other loans". Maturity of ECB refinancing, connected to TLTRO-III operations, led to a reduction in amounts due to Central Banks of EUR 9.1 billion compared to the previous year. Finally, amounts due to other banks, included in the item "Fixed-term deposits", rose EUR 2.7 billion, against an increase in recourse to this from of technical funding by the Affiliated Banks.

Fixed assets

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Equity investments	248,298	255,647	(7,349)	(2.9%)
Tangible	51,276	25,835	25,441	98.5%
Intangible	92	137	(45)	(32.7%)
Total fixed assets	299,666	281,619	18,047	6.4%

Non-current assets as at 31 December 2024 amounted to EUR 300 million, an increase of approximately EUR 18.0 million compared to 2023, and consisted of equity investments of EUR 248 million, tangible assets of EUR 51.3 million and intangible assets of EUR 0.1 million (mainly user licences and software). The change in tangible fixed assets compared to the previous financial year is primarily attributable to the signing of a leasing contract for the building located in Milan, viale Pasubio, n. 21, and that in Rome, piazza Guglielmo Marconi, n. 25.

Equity investments recorded a negative YoY change attributable primarily to liquidation of the investment in Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidazione.

Equity

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Share Capital	952,032	952,032	-	0.0%
Share premium	19,029	19,029	-	0.0%
Reserves	207,650	191,270	16,380	8.6%
Valuation reserves	5,400	(6,108)	11,508	n.s.
Profit (loss) for the year	36,975	31,123	5,852	18.8%
Total equity	1,221,085	1,187,345	33,740	2.8%

Equity as at 31 December 2024 amounted to EUR 1.2 billion, slightly higher than the previous year. The growth of around EUR 33.7 million derives from the item Reserves, EUR +16.4 million, as a consequence of policies for the distribution of profit for the previous year, which includes allocation to the excess profit reserve of EUR 14.2 million, and an increase in the valuation reserves of EUR 11.5 million. There was also an increase in profit for the year, up EUR 5.9 million on 2023.

Own funds and capital adequacy

Own funds and capital ratios

Own funds for prudential purposes are calculated on the basis of the capital and economic result determined in accordance with IAS/IFRS and the accounting policies adopted, and taking into account the prudential rules in force at the time.

Total own funds consist of Tier 1 (T1) capital and Tier 2 (T2) capital. Specifically, Tier 1 capital results from the sum of Common Equity Tier 1 (CET1) capital and Additional Tier 1 (AT1) capital.

The aforesaid aggregates (CET1, AT1 and T2) are determined by the algebraic sum of their constituent positive and negative elements, following consideration of prudential filters. Referring to all positive and negative fair value changes to Common Equity Tier 1 capital introduced by the Supervisory Authority in order to reduce the potential volatility of the assets.

The aforesaid aggregates include the effects of the IFRS 9 transitional regime, which, as at 31 December 2024, exclusively consists of the component arising from the dynamic approach, as introduced by Regulation (EU) 2017/2395 and amended by Regulation (EU) 873/2020 (so-called Quick Fix). The adjustment to CET 1, which provides for the re-inclusion of the "dynamic" component, took place for the current year after application of the aforesaid regime, in the amount of 25%.

In addition, quantification of these balance-sheet aggregates also took into account the effects of the current transitional regime pursuant to Article 468 of the CRR, as amended by Regulation (EU) 2024/1623, which had an impact on the Bank's primary tier 1 capital of EUR -1,135 thousand. This regime aims to mitigate the impact on own funds of unrealised profits and losses from 31/12/2019 on securities issued by governments and similar bodies classified in the FVOCI portfolio set out in the aforementioned EU Regulation, through sterilisation of the same. Adjustment of CET1 that envisages re-inclusion of the impact of unrealised components of the aforementioned profits and losses applies for the period from 30/09/2024 to 31/12/2025, at 100% for each of the 2 years of the transition period.

The option is symmetrical, in that it is applied at the same percentage to unrealised profits and losses.

Own funds also took account of the applicable amount, subject to deduction from CET 1, correlated to the minimum loss coverage on impaired exposures (Minimum Loss Coverage), on the basis of the provisions of Regulation (EU) no. 680/2019.

At 31 December 2024, the CET1, determined in accordance with the aforementioned standards and references, stood at EUR 1,185,543 thousand. Tier 1 amounted to EUR 1,185,543 thousand.

Own funds therefore amounted to EUR 1,185,543 thousand. Of these, the CET 1 recorded an increase compared to the end of 2023 totalling EUR 5,000 thousand (+0.39%) due primarily to the increase in profit reserves (EUR +7,428 thousand), attributable to 2024 profit included in CET1 (+7,617 thousand), following authorisation from the ECB on 10 February 2025, and the increase in OCI Reserves (EUR +11,508 thousand).

The impact of changes in other items of CET1 were marginal.

As at 31 December 2024, for the purposes of calculating the capital requirements in relation to credit risk, the use of the external ratings issued by a recognised ECAI has not only been extended to the central governments or Central Banks portfolio and exposures to securitisation, but also to the regulatory portfolios exposures to entities and exposures to companies.

Following this change, the adopted rating agencies are as follows, grouped by relevant portfolio:

- Central governments or Central Banks: Moody's;
- Exposures to securitisation: Moody's;
- Exposures to Entities: Moody's;
- Exposures to companies: CRIF ratings.

This choice is based on the more general framework of a progressive optimisation of risk-weighted assets.

It should also be noted, that from 31 December 2023, if the thresholds envisaged for the OEM at consolidated level are exceeded, for the purposes of calculating the capital requirements in relation to counterparty risk, the SIMPLIFIED SA CCR method, pursuant to Art. 281 of the CRR II, is applied.

This method is a simplified alternative to the OEM, applicable by intermediaries that hold exposures in derivatives valued at less than EUR 300 million and at 10% of the entity's assets, as provided for by Art. 273-bis, section 1 of the CRR II.

Lastly, in 2024, the additional provisions already fully introduced in 2023 were applied in accordance with the application of the provisions envisaged by Regulation (EU) no. 876/2019 – known as CRR II – (e.g. the application of the new SME supporting factor and infrastructure factor) envisaged by the aforementioned Regulation, as well as the application of the regulation on Calendar Provisioning – NPL Backstop, which introduced a specific deduction from "Own funds" in the case of insufficient coverage referring to impaired exposures (Regulation (EU) no. 2019/630).

Own funds and capital ratios

OWN FUNDS AND CAPITAL RATIOS	31/12/2024	31/12/2023
Common Equity Tier 1 capital - CET1	1,185,543	1,180,986
Tier 1 capital - TIER 1	1,185,543	1,180,986
Total own funds - Total Capital	1,185,543	1,180,986
Total risk-weighted assets	2,492,607	2,309,015
CET1 Capital ratio (Common equity Tier 1 capital/Total risk-weighted assets)	47.56%	51.15%
Tier 1 Capital ratio (Tier 1 capital/Total risk-weighted assets)	47.56%	51.15%
Total Capital Ratio (Total own funds / Total risk-weighted assets)	47.56%	51.15%

Risk Weighted Assets

(Figures in thousands of euro)	31/12/2024	31/12/2023	Change	% change
Credit and counterparty risk	1,945,538	1,790,783	154,755	8.64%
Credit valuation adjustment risk	32,209	21,257	10,952	51.52%
Market risk	1,803	56,364	(54,561)	(96.80%)
Operational risk	513,057	440,611	72,446	16.44%
Total RWA	2,492,607,000	2,309,015,157	183,591,843	8.0%

Risk-weighted assets (RWA) increased from EUR 2,309,015 thousand to EUR 2,492,607 thousand, basically due to the increase in credit risk (EUR +154,755 thousand) and recalculation of operational risk (EUR +72,446 thousand).

Therefore, the Bank has a ratio of Common Equity Tier 1 capital to risk-weighted assets (CET1 capital ratio) of 47.56% (51.15% as at 31 December 2023). The same value also refers to the ratio of Tier 1 capital to risk-weighted assets (T1 capital ratio) and total own funds and risk-weighted assets (total capital ratio).

The reduction in the capital ratios compared to the previous year is therefore attributable to an increase in the RWA, as shown in the above table.

The amount of own funds as at 31 December 2024 was sufficient on all capital levels represented. The combined capital reserve requirement was also fully observed.

In this regard, it is noted that following the decision reached on 26 April 2024 by the Bank of Italy in its role as designated national authority and following public consultation, a capital buffer was established against systemic risk equal to 1% of relevant exposure, applicable at individual and consolidated level.

Specifically, from the 31 December 2024, the transitional coefficient of 0.5% is applicable and from 30 June 2025, the full coefficient of 1% in line with the relevant regulatory provisions.

Lastly, the Bank's leverage requirement as at 31 December 2024 is 13.35% and thus higher than the expected regulatory minimum of 3%.

2. Other information

Pursuant to Articles 37-bis of the Testo Unico Bancario (Consolidated Banking Act - TUB) and 2497 et seq. of the Italian Civil Code, Cassa Centrale Banca exercises management and coordination activities with regard to its direct and indirect subsidiaries, in application of Articles 23 of the TUB and 2359 of the Italian Civil Code, including companies that, under current prudential regulations, are not part of the Banking Group. It is also specified that the management and coordination activities of the Affiliated Banks are carried out following the signing of the Cohesion Contract between Cassa Centrale Banca, as the Parent Company, and the Affiliated Banks themselves; in particular, the Cohesion Contract defines the powers and duties of the Parent Company and the tasks and duties of the Affiliated Banks.

This Report on Operations includes only comments on the results of operations of the Parent Company Cassa Centrale Banca. For all other information required by law and specific regulations, please refer to the Explanatory Notes to these separate financial statements, the Directors' Report on the Consolidated Operations and the Consolidated Explanatory Notes to the consolidated financial statements.

In particular, reference should be made to the Explanatory Notes to these separate financial statements for the following information:

- information relating to the Bank's operations and transactions with related parties (Part H – Transactions with related parties);
- the list of wholly-owned subsidiaries, jointly controlled and subject to significant influence (Part B, Assets, Section 7 – Equity investments);
- information on the ownership of own shares (Part B, Liabilities, Section 13 – Equity);
- information on events after the end of the financial year (Part A – Accounting policies);
- other information on assets (Part F – Information on equity);
- extraordinary transactions (Part G – Business combinations regarding companies or branches).

Please refer to the Directors' Report on Consolidated Operations of the Cassa Centrale Group for information on:

- economic context;
- significant events during the year;
- information on the Group's main strategic business areas;
- risk management;
- business continuity;
- research and development;
- other information;
- business outlook.

Pursuant to Legislative Decree 125/2024, implementing Directive 2022/2464/EU (CSRD), which requires certain categories of companies to include the information necessary for understanding the company's impact on sustainability issues and how sustainability issues affect the company's performance, results and position in a separate section of the management report, the Parent Company has been subject to individual reporting obligations since the financial year presented in this Report.

The Decree, however, establishes exemption from individual reporting requirements if the information required is included by the parent company in the consolidated sustainability report prepared in accordance with the requirements of the Decree.

In this regard, it is noted that the Parent Company Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A., with registered office in Trento, publishes a consolidated sustainability report in which it also includes information relating to the Bank as required by regulations.

The consolidated reporting of Cassa Centrale Banca Group is an integral part of the Consolidated Annual Financial Report, provided in a dedicated section.

The Report is published on the website of the Parent Company:

[Financial Statements and Reports | Cassa Centrale Banca - Credito Cooperativo Italiano.](#)

The Bank is therefore exempted from the individual reporting requirements pursuant to Article 7, paragraph 1 of Legislative Decree 125/2024.

3. Proposed appropriation of the result for the year

Dear Shareholders,

We bring to your attention the financial statements for the year ended 31 December 2024 consisting of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the explanatory notes, and the report on operations.

In accordance with the provisions of the Law and the Articles of Association, we propose to allocate the profit of EUR 36,974,581 as set out below:

DESTINATION ITEM	Figures rounded to nearest euro unit
1. to legal reserve (5% of the net profit)	1,848,730
2. to extraordinary reserve	5,768,097
3. to dividends in favour of shareholders	28,607,754
4. allocation to the Board of Directors	750,000

Trento, 5 June 2025

The Board of Directors

Board of Statutory Auditors' Report

Board of Statutory Auditors' Report to the Shareholders' Meeting pursuant to Article 2429 of the Italian Civil Code

Dear Shareholders,

with this report, drawn up pursuant to Article 2429 of the Italian Civil Code, the Board of Statutory Auditors (hereinafter also "Control Body") reports to the Shareholders' Meeting of Cassa Centrale – Credito Cooperativo Italiano S.p.A. (hereinafter also "Cassa Centrale", "CCB", "Parent Company" or "Bank") on the supervisory activities carried out in the financial year ended 31 December 2024, in accordance with the relevant regulations, the Articles of Association and in compliance with the provisions issued by the National and European Supervisory Authorities, also taking into account the Rules of Conduct of the Board of Statutory Auditors recommended by the National Board of Chartered Accountants (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili - CNDCEC).

1. Preliminary considerations

The Board of Statutory Auditors in its current composition, appointed by the Shareholders' Meeting of Cassa Centrale on 30 May 2022, is composed of Mr Pierpaolo Singer (Chairman), Ms Lara Castelli and Ms Mariella Rutigliano.

The Board of Statutory Auditors of the Bank was also assigned the role of Supervisory Body pursuant to the provisions of Legislative Decree no. 231 of 8 June 2001, in compliance with the indications contained in Bank of Italy Circular no. 285 of 17 December 2013.

In undertaking its duties, the Board of Statutory Auditors oversaw compliance with the law, regulations and the Articles of Association. It also monitored the principles of correct administration and adequacy of the organisational and accounting structures, as well as the functionality and effectiveness of the internal control system of the Bank.

During the year, the Control Body met thirty-five times and, between 1 January 2025 and the date of preparation of this report, held eleven meetings. The average length of the meetings was four hours.

In view of the work it is called upon to perform, the Board of Statutory Auditors prepares a half-yearly note for the Board of Directors which summarises the main activities carried out in the reporting period and the recommendations formulated so that they might be appropriately considered by the Board of Directors.

The Control Body attended every meeting of the Board of Directors and of the Executive Committee and, in accordance with the respective internal Regulations, the Chairperson of the Board of Statutory Auditors, or another designated member, attended every meeting of the Board Committees. Furthermore, the Board of Statutory Auditors took part in the Shareholders' Meeting of Cassa Centrale held on 7 June 2024.

The Control Body attended the Regional Shareholders' Meetings, announced by the Parent Company, with the aim of sharing the strategic projects of relevance for the entire Group and the development guidelines in the implementation of which the Banks are active players.

The Board of Statutory Auditors also participated in the following events:

- Meeting of the Risk Management Function, held in Bologna on 28 May 2024, addressing the following main topics: (i) presentation of the organisational chart of the Risk Management Department; (ii) highlights from recent inspections by the Supervisory Authority; (iii) presentation of the 2024 Business Plan; (iv) climate-related and environmental risk activities and controls; (v) credit risk: 2024-2025 changes; (vi) update of the assessment framework of Internal Representatives; (vii) internal loss transfer mechanism and SRB inspection visit on the bail-in process;
- Meeting of the AML Function, held in Rome on 19 November 2024, which provided an opportunity to discuss how to address the challenges of financial compliance in AML and counter-terrorism, in the light of new regulations, technologies and organisational scenarios. The new crime scenarios and money laundering risk mitigation measures were discussed, analysing the AML package from the perspective of the Supervisory Authority and the banking system's contribution to its implementation; technological evolution,

active cooperation and analysis of Suspicious Transaction Reports, with a focus on ongoing projects in the Cassa Centrale Banking Group;

- Meeting of the Compliance Function, held in Milan on 5 December 2024, during which the activities of the Compliance Department were presented, with speeches focusing on regulatory developments, particularly in the credit sector, and the importance of the Digital Operational Resilience Act (DORA). An in-depth look at the Compliance Evolution initiatives in the Group's strategic plan was also proposed, with a specific focus on the use of artificial intelligence. On this occasion, the Board of Statutory Auditors, in its own statement, acknowledged that the Group's system of controls and risk management is being consolidated in terms of reliability, integrity, functionality and adequacy, emphasised the importance of the anomaly monitoring activities carried out by the representatives and recommended continuing with a risk-based and gradual approach to the use of artificial intelligence to ensure that its use is developed in an ethical and responsible manner, aligning with regulatory standards and public expectations.

During the course of the year, the Parent Company continued to exercise actions to guide and coordinate the Group's entities, including through integration and updating of the body of internal regulations, the set of Group policies and procedures aimed at progressively achieving objectives of full operational homogeneity at Affiliated Banks and Subsidiaries level. The Control Functions continued to refine their methodological approach – also thanks to the assessment of the contribution provided by the respective internal representatives – based on an integrated view of the risks in the planning and execution phases of the respective activities and in reporting them so as to allow the Company Bodies to promptly assess any anomalous phenomena and direct their supervision and guidance more effectively at Group level.

The Parent Company's activities made it possible to intercept and address the main criticalities manifested by certain Affiliates, realising the priority objective of maintaining the security of the Group's overall structure. The results achieved and the gradual maturing of the Group's spirit have contributed to the adoption of initiatives aimed at progressively increasing the efficacy of the direction and coordination activity, whilst continuing to protect the entire Group from legal and reputational impacts, in respect of the overall regulatory framework and provisions of reference and the guiding principles and mission of cooperative credit. This includes the development of the project to revise the Standard Bylaws of the Affiliated Banks, which, having been completed, consists of various changes aimed not only at adapting the Bylaws to the evolution of the Group's rules and regulations, but also at achieving greater uniformity of the Bylaws of the Affiliated Banks and improvement of specific governance profiles.

In continuity with the action taken in the previous year, the Board of Statutory Auditors monitored the remedial actions planned in response to the findings of the inspections conducted by the ECB and the Bank of Italy, as well as the checks carried out by the Control Functions. Similar efforts were dedicated to the monitoring of the risk profiles and credit quality, as well as the progress of projects related to the development of applications in support of first and second level controls.

Finally, the Board of Statutory Auditors oversaw the relationship with the statutory auditor, intended to continuously promote mutual exchange of information regarding the performance of their respective activities and the necessary discussion around the process of producing financial reporting.

2. Coordination with the Boards of Statutory Auditors of Affiliated Banks and Subsidiaries

During the first quarter of 2024, the Board of Statutory Auditors sent a written request for information to the Boards of Statutory Auditors of a pool of 27 Affiliated Banks, selected using a risk-based approach, with the aim of acquiring information on:

- any significant shortcomings found in the internal control and risk management system;
- the status of implementation of corrective actions identified following findings of control functions with high or medium/high severity;
- the results of the activities carried out by the Control Body concerning the adaptation of the provisions and indications provided by the Parent Company for implementation of the

- remedial plans related to the findings of the Bank of Italy inspection on AML and Transparency;
 - any significant shortcomings found in the internal control system for financial reporting reported by the auditor;
 - the number of meetings held since January 2023, with indication of the main topics discussed.
- The analysis of the feedback received did not reveal any significant circumstances that were not already known.

In addition, a written request was sent to the Boards of Statutory Auditors of the Banks excluded from the aforementioned pool, from which a document summarising the number of meetings held since January 2023 was requested, with indication of the main topics discussed. The purpose of this initiative was to acquire an overall picture of the operating methods adopted by the Control Bodies of the Affiliates, to be considered in the context of the assessments, then ongoing, to strengthen the coordination process.

The Board of Statutory Auditors also conducted individual meetings with the Chairpersons of the Control Bodies of the Subsidiaries, with the aim of acquiring relevant information on the functioning of the management and control systems of the Subsidiaries, on the general performance of the Company's activities and on any critical issues encountered in the performance of its supervisory activities. The analysis of the information received did not reveal any particular critical issues or circumstances worthy of attention that were not already known. In execution of the action plan sent to the Supervisory Authority on 18 April 2024, in response to the requests made in the context of OSI-2023-ITCCE-0220892 (so-called OSI Governance), the Board of Statutory Auditors defined a structured process to strengthen interaction with the Control Bodies of Group Companies, also taking into consideration the results of the activity carried out within the specifically established working group that involved the Chairpersons of the Boards of Statutory Auditors of some Affiliated Banks. The regulation of this process has been formalised in the "Group Control Coordination Regulations", as updated by resolution of the Board of Directors on 19 September 2024. The structure and purpose of the process were presented to the Chairpersons of the Boards of Statutory Auditors of the Group Companies at a plenary meeting held on 24 September 2024.

In execution of the process, the Board of Statutory Auditors prepared a dedicated questionnaire to gather information on the general performance of Group Companies and their operations, organisational structure and control system, with reference to the year 2024. The feedback received from all the Control Bodies of the in-scope legal entities, in addition to highlighting zero particular transversal issues at Group level, contributed, together with the main areas of interest by the Corporate Control Functions, to the definition of the topics to be addressed at the plenary meeting held on 20 March 2025. As part of the coordination process, the Board of Statutory Auditors also deemed it appropriate to promote a training course specifically aimed at the Control Bodies of Group Companies.

3. Corporate governance

In compliance with the Regulatory Provisions and the guidelines expressed at European level on the composition, appointment and requirements of corporate bodies, in December 2024, the Board of Directors launched its own self-assessment on its functioning and qualitative and quantitative composition, as well as of the Board Committees. The outcome of the exercise conducted was approved at the meeting of the Strategic Supervisory Body on 6 February 2025.

By attending the meetings of the Appointments Committee and the Board of Directors, the Board of Statutory Auditors oversaw the self-assessment process of the Board of Directors in office and also monitored the processes for the appointment and assessment of the requirements of the members of the Affiliated Banks and the Subsidiaries, performed in line with the provisions of the "Group regulation for the assessment of the suitability of officers and self-assessment of the bodies of the Subsidiary Banks and for the identification of officers of the Subsidiary Companies" as well as in consideration of the provisions of the "Group Model for the optimal composition of the Corporate Bodies and Management of the Subsidiary Banks".

The Control Body carried out its own Self-Assessment and also approved the revision of the document on the optimal qualitative and quantitative composition of the Board of Statutory Auditors, which was made available to the Shareholders in anticipation of the Shareholders' Meeting to approve the Financial Statements as at 31 December 2024, called, *inter alia*, for the complete renewal of the Control Body.

4. Transactions with related parties

In terms of conflicts of interest and transactions with Related and Connected Parties, the Board of Statutory Auditors monitored the suitability of the internal procedures to ensure compliance with the related rules and, in particular, with the provisions set out in Bank of Italy Circular no. 285/2013, through direct feedback, attending all meetings of the Independent Directors' Committee, analysing periodic information on the transactions carried out and issuing specific opinions when requested. It also monitored the progress of the remedial actions planned to address the findings with medium-high severity formulated by the Compliance and Internal Audit Functions on the subject of associates/liability cycle.

Cassa Centrale has adopted "Group Regulations for the management of conflicts of interest" and "Group Regulations for the management of transactions with related parties", which define the principles, roles and responsibilities aimed at guarding against the risk of potential conflicts of interest in the management of transactions: (i) with Related Parties, as set forth in Bank of Italy Circular No. 285/2013, Part III, Chapter 11; (ii) involving obligations of bank officers pursuant to Article 136 of Legislative Decree No. 385/1993; (iii) in which the directors' interests are identified, in accordance with the provisions of the Italian Civil Code; (iv) with Related Parties IAS 24 related to financial statement disclosures on related-party transactions; (v) involving loans to exponents and their Related Parties pursuant to Article 88 of Directive (EU) 2013/36.

During the periodic update of the Group Regulations on the management of transactions with related parties, the Board of Statutory Auditors examined and assessed, also in terms of consistency with the Group's operations, the proposed actions, which, with reference to internal control policies, concerned, in particular: (i) the reformulation of the definition of intra-group transaction and the raising of the thresholds for classifying transactions concluded between members of the Banking Group, (ii) the verification and, where appropriate, the amendment, of the types of relevant transactions and their classification thresholds. The Control Body therefore issued its opinion on the matter, recommending: *i)* the monitoring of the effective activation of the IT implementations necessary for the proper management of the changes made to the document; *ii)* the monitoring of the reporting impacts that may arise from the amendment of the thresholds for the classification of transactions between companies belonging to the Banking Group; *iii)* constant interaction with the Risk Management Department on the definition of risk appetite towards Related Parties, both through the analysis of the appropriateness of the Group's operations compared to the new thresholds defined in the new Regulations, and during the definition of the Group's RAS.

The Board of Statutory Auditors has not detected any transactions with Related Parties in conflict with the interest of Cassa Centrale.

The results of the latest verification activities carried out on this matter by the Corporate Control Functions, for their respective areas of competence, return a picture of substantial adequacy. The relations and transactions are attributable to ordinary credit and service activities developed according to contingent needs or benefits, in the common interest of the parties. The conditions applied to individual relationships and transactions with counterparties did not diverge from market conditions, namely they were aligned, where applicable, with the conditions applied to employees.

5. Monitoring of compliance with legal, regulatory and statutory provisions and observance of the principles of correct administration

The Board of Statutory Auditors monitored the activity carried out by the Bodies and by the Board Committees, verifying its compliance with legislative and regulatory provisions as well as the principles of correct administration and protection of the Bank's assets.

The Control Body acquired information on the management activities and the most significant transactions from an economic and financial point of view and/or from an organisational point of view, of Cassa Centrale, the Affiliated Banks and the Subsidiaries through its participation in board meetings, the proceedings of the Board Committees and meetings with Top Management. On these occasions, as well as in the exercise of its own auditing activities, the Board of Statutory Auditors did not discover overtly imprudent transactions or in conflict of interest, nor transactions that went against the resolutions of the Shareholders' Meeting, or such that would compromise the integrity of the assets.

As for the decision-making processes of the Board of Directors and the Executive Committee, the Board of Statutory Auditors monitored their compliance with the law and the Articles of Associations, verifying that the decisions made were inspired by the principle of correct information and reason.

In the course of its activities and on the basis of the information obtained, the Board of Statutory Auditors has not found any irregularities, censurable acts or facts or circumstances such as to require reporting to the Supervisory Authorities.

Based on the information acquired, the Control Body can reasonably affirm that the transactions performed are not contrary to laws, regulations or the Bylaws.

With regard to the principles of proper administration, the Board of Statutory Auditors, through meetings with Top Management, the Heads of the business areas, the Administration and Financial Statements Manager, the Heads of the Control Functions and the Independent Auditors, as well as through observation of the information flows to the Board of Directors, can reasonably affirm that the transactions carried out during the year are based on principles of sound and prudent administration and have been approved after obtaining adequate information flows that have enabled the Strategic Supervisory Body to appreciate the related risk profiles.

Furthermore, the Board of Statutory Auditors did not receive any reports pursuant to Article 2408 of the Italian Civil Code.

The Report on Operations prepared by the Directors provides extensive information on the Parent Company's and Group's operations and the main transactions carried out during 2024. Referring to the same report for a more exhaustive examination of the most significant transactions carried out during the year, the events most directly related to the strategic guidelines and objectives of risk control measurements and asset quality protection are mentioned below.

On 26 June 2024, the Board of Directors approved the 2024-2027 Strategic Plan, which defines the strategic project initiatives that the Group intends to achieve during the reference period, as well as economic and financial targets, through four key areas of intervention: (i) business development, supporting the regional bank service model by flanking the physical network and multi-channel approach, (ii) operating efficiency through evolution of the organisational model, pushing for the centralisation of activities in the Group's central structure, (iii) focus on changes to the regulatory framework and internal control system, with growing use of technology to improve regulatory compliance and prudent management of current and prospective risks, (iv) activation of enabling factors, to be contextualised across the board, by developing and training human resources, as well as constantly building on ICT investments. The Plan factors in the estimates of the Group's 2024-2026 NPE Strategy, which envisages a further reduction in the gross NPL ratio (target of 3.3% at the end of the plan) and a physiological decrease in average coverage levels (target of 74.3% at the end of 2026, still somewhat higher than the figures of the Italian and European banking system). At the same time as the Strategic Plan, the Board of Directors approved the Digital Transformation Plan and the Sustainability Plan. In the context of the projects launched by the Group for alignment with EBA-LOM guidelines, in line with the plan to meet SREP requirements, on 31 October 2024, the Group adopted the new credit risk management systems consisting of the internal rating system for management purposes and the IFRS 9 forms for determination of flat-rate write-downs of receivables. They introduce important methodological innovations (such as the acceptance rating applicable to new customers) and an overall risk measurement system with

a more advanced approach, as well as defining a more structured overlay system for flat-rate provisions for performing loans, as described in more detail in paragraph 11 below.

With reference to the litigation proceedings brought by the financial holding company Malacalza Investimenti S.r.l. and a group of Carige shareholders, including Mr Vittorio Malacalza, against Carige, FITD, SVI and Cassa Centrale, contesting the validity of the resolution to increase the share capital by EUR 700 million approved by the shareholders of Banca Carige at the Shareholders' Meeting held on 20 September 2019, on 15 November 2021, the Court of Genoa, having ascertained the validity of the resolution, rejected the claims for damages brought by the plaintiffs for a total of EUR 550 million, ordering the latter to pay the legal costs.

In December 2021, Malacalza Investimenti S.r.l., Malacalza Vittorio and five small shareholders out of the initial 42 appealed against the first-level ruling before the Court of Appeal of Genoa, with a reduction of the claims for damages from approximately EUR 8.4 million to EUR 84 thousand. Cassa Centrale Banca appeared in the three lawsuits pending before the Court of Appeal, which were subsequently combined. The proceeding is in its final stage. Having assessed the risk of losing the case with the support of solicitors, Cassa Centrale Banca decided not to make provisions for risks and expenses in line with IAS/IFRS international accounting standards.

As mentioned in the Report on Consolidated Operations, the year witnessed the following transactions related to equity investments held by Cassa Centrale:

- liquidation of Casse Rurali Raiffeisen Finanziaria S.p.A.
In April 2023, the Extraordinary Shareholders' Meeting of Casse Rurali Raiffeisen Finanziaria S.p.A. ("CCRFIN"), 50% owned by Cassa Centrale Banca and 50% by Raiffeisen Landesbank, had resolved to put the Company into voluntary liquidation. In May 2024, the procedure for requesting authorisation from the Supervisory Authority to purchase 50% of the share package of Mediocredito Trentino-Alto Adige S.p.A. held by CCRFIN was formally launched. Following issue of the authorisation on 7 August 2024, the Shareholders' Meeting of Casse Rurali Raiffeisen Finanziaria S.p.A. Approved the plan for division of the company and instructed the liquidator to remove the company from the Companies Register, which was done on 21 November 2024. The Group's stake in Mediocredito therefore now stands at 17.98% of the share capital, with a direct stake of Cassa Centrale Banca of 17.65%;
- voluntary liquidation of Centrale Soluzioni Immobiliari S.r.l., resolved by the Company's Extraordinary Shareholders' Meeting in December 2024;
- voluntary liquidation of Centrale Trading S.r.l., resolved by the Company's Shareholders' Meeting in March 2024.

In 2024, two business combinations between Affiliated Banks were recorded, which brought the number of Affiliated Banks from 67 at the end of 2023 to 65 as at 31 December 2024. Banca per il Trentino Alto Adige – Bank für Trentino-Südtirol – Credito Cooperativo Italiano Società Cooperativa was created through the merger by incorporation of Cassa Rurale Novella e Alta Anaunia into Cassa di Trento, Lavis, Mezzocorona, Valle di Cembra e Alta Vallagarina, while BVR Banca Veneto Centrale – Credito Cooperativo Italiano – Società Cooperativa was created through the merger by incorporation of BVR Banca – Banche Venete Riunite into Banca del Veneto Centrale.

6. Relations with Supervisory Authorities and prudential supervisory processes

Supervisory Review and Evaluation Process (SREP)

The Control Body took note of the notification to the Bank on 10 December 2024 of the SREP Decision, containing the results of the annual prudential review and evaluation process covering the year 2025, with indication of the requirements and recommendations in order to address the areas for improvement identified by the Supervisory Authority.

On a consolidated basis, the Group is required to meet an overall SREP requirement on the Total Capital Ratio of 14.65%, consisting of the regulatory minimum (8%), the SREP add-on requirement (2.50%), the combined capital conservation and systemic risk buffer (2.50% + 0.40%) and the SREP capital guidance (1.25%). All capital requirements were met by Cassa

Centrale: as at 31 December 2024, the Group's capital ratios at consolidated level amounted to 26.8% for both Common Equity Tier 1 and Total Capital Ratio.

ICAAP/ILAAP

The Board of Statutory Auditors, following its review of the Group's capital adequacy assessments (ICAAP) and the overall functionality of the internal liquidity risk management system (ILAAP), relating to the financial year 2023, found for both the ICAAP and ILAAP processes that the main indications previously received from the ECB or the Corporate Control Functions were considered and/or included in appropriate action plans and that the Bank duly complied with the relevant regulatory provisions. The results of the analyses show a fully adequate equity and financial situation.

Recovery Plan

The update of the Recovery Plan carried out in 2024 acknowledges the areas of improvement put forward by the Supervisory Authority, aimed at tightening the systemic scenario, increasing the speed of the liquidity scenario, introducing the time-to-survival indicator and expanding the set of available recovery options, thus leading to an increase in the Group's overall recovery capacity ("ORC"). In stress scenarios, the Group demonstrates its resilience by recovering from all recovery trigger overruns by activating the most appropriate set of options. The refinements developed as part of the options implementation strategy allowed for better ORC levels of capital and liquidity at the end of the projection period than in the previous cycle, despite worse stress levels, starting from higher capitalisation levels than in 2023.

MREL Requirement

As part of the regulatory framework for the recovery and resolution of credit institutions and investment firms (the so-called BRRD), the Single Resolution Board (or SRB) communicated in March 2024 to the Bank, as the Group's resolution entity, the Minimum Requirement of Eligible Liabilities (MREL2) to be met at a consolidated level for Cassa Centrale Banca and at an individual level for the Affiliated Banks identified as Relevant Entities by the relevant regulations in the 2023 resolution cycle. Given the general-hybrid approach adopted by the Single Resolution Committee, own funds on a consolidated basis are considered suitable to meet the consolidated MREL requirement, while the only eligible liabilities will be those issued directly by the Parent Company Cassa Centrale Banca that will comply with the conditions set out in Regulation No. 877/2019 ("SRMR2"). The minimum requirement for own funds and eligible liabilities on a consolidated basis, with which the Parent Company must comply, is 22.91% of the Total Risk Exposure Amount (TREA), to which the combined capital reserve requirement (CBR) should be added, and 5.91% of Leverage Ratio Exposure (LRE). At the reference date of 31 December 2024, Cassa Centrale, on a consolidated basis, and the Affiliated Banks identified as relevant entities on an individual basis comply with the MREL requirement, both as a percentage of the total risk exposure amount (MREL-TREA) and as a percentage of the leverage ratio exposure (MREL-LRE).

Inspections

During 2024, the Group witnessed on-site inspections and other inspections conducted by the Supervisory Authorities in various areas, which required the structures to define the relevant remediation plans, in addition to the implementation and monitoring of the remediation plans already approved as a result of previous inspections.

European Central Bank credit and counterparty risk inspection

In 2022, the ECB conducted a credit and counterparty risk inspection to conduct a review of the credit quality of the commercial immovable property portfolio and an assessment of certain credit risk processes. The final version of the "Follow Up Letter", containing the Supervisory Authority's expectations for corrective actions to be taken, was submitted in October 2023. The remediation plan, which is currently being implemented, sees the Group involved in related activities until 2025.

During the summer of 2023, the ECB then conducted a second inspection covering credit and counterparty risk with reference to small and medium-sized enterprises, focusing on the assessment of credit risk processes, including all ancillary aspects such as governance, credit processes, control frameworks, internal regulations, as well as IFRS 9 models and rating systems adopted by the Group. The draft of the end-of-inspection report was shared by the Supervisory Authority in November 2023. The remedial action plan was completed during the first quarter of 2025.

European Central Bank inspection on IT risk

The action plan to meet the expectations expressed by the European Central Bank as a result of the IT risk inspection in 2022 was completed in December 2024.

European Central Bank Inspection on internal governance and risk management

During 2023, the European Central Bank conducted an inspection on internal governance and risk management. In addition to examining and assessing the adequacy and quality of internal governance and risk management, the Supervisory Authority had explored the Parent Company's ability to direct the Affiliated Banks, the management of internal regulations, the efficacy of processes to define the strategy of the Group as a whole, as well as the structure and functioning of the risk-based model. Following the receipt of the Follow Up Letter in March 2024, the Group began implementing the corrective measures necessary to fulfil the recommendations contained therein, which were duly completed on time. Only one activity remains in progress, expiring on 30 June 2025 and concerning the updating of the "Risk Based Model Regulations".

Forbearance Deep Dive

As of June 2023, the Group began implementing the remedial plan designed to incorporate the Supervisory Authority's suggestions to strengthen the forbearance framework, following the in-depth study conducted by the European Central Bank in 2022-2023. The progress of the overall plan of remedial actions is currently in line with the agreed deadlines.

Targeted review on Cyber Resilience

In a framework of growing and progressive attention towards cyber risks, in July 2023 the European Central Bank requested significant institutions to complete a questionnaire to achieve a detailed perspective of their cyber resilience monitoring. Following the receipt in July 2024 of the Report containing the findings of the 2024 stress exercise, the Group initiated an action plan, which is expected to be completed by the first quarter of 2026.

CONSOB audit of the status to the MiFID II adjustment regarding product governance and assessing the appropriateness/adequacy of operations and related compliance audit

Starting in February 2023, Consob conducted an inspection of the Group's model for the provision of investment services, the state of compliance with regulations on investment services with specific reference to product governance and procedures to assess the adequacy and appropriateness of operations carried out on behalf of customers, as well as methods for subdividing and effectively performing compliance checks. The corrective measures identified on the various profiles reported by the Supervisory Authority in the Technical Note addressed to the Bank on 6 May 2024 were formalised in the action plan sent to the Authority in September 2024. Subsequently, on 18 December 2024, Consob sent a request for data and information on the corrective actions taken and further details, for which a response was sent on 6 February 2025.

ECB decision – Climate and environmental risks

Following the receipt of the Final Letter of the "Decision relating to the risk identification process for climate-related and environmental risks" from the ECB in January 2024, Cassa Centrale conducted an in-depth analysis of the impacts of climate and environmental risks in the sectors of loans, market, operations, real estate, strategy, reputation, disputes and legal matters. The

outcome of this activity showed how climate-related and environmental risk factors influence the different risk categories in a manner that varies over time. Their impacts are assessed as not significant in the short term (2024-2026), partially significant in the medium term (2027-2030) and significant in the long term (2031-2050), especially for credit risk.

Cyber Resilience Stress Test

The European Central Bank had involved the Cassa Centrale Group in the first of the Cyber Resilience Stress Tests announced during 2023, with the aim of assessing the level of implementation of the cyber resilience control measurements.

On completion of the assessment, which involved 109 financial entities, the Cassa Centrale Group filled out and returned the questionnaire required as part of the exercise, in accordance with the time frames set by the Supervisory Authority.

Following a review of the questionnaire, in July 2024, the ECB returned a Report containing the findings of the exercise, including recommendations aimed at remedying and/or improving the Group's ability to react to and recover from a cybersecurity event, in consideration of which the Group took prompt action to define and implement an action plan. Its completion is expected within the first half of 2025.

European Central Bank inspection regarding interest rate risks for banking book (IRRBB) and credit spread risk arising from non-trading book activities (CSRBB)

On 12 July 2024, Cassa Centrale Group was notified of its inclusion in an inspection campaign launched by the European Central Bank. This focuses on Interest Rate Risk in the Banking Book (IRRBB) Credit Spread Risk in the Banking Book (CSRBB). The draft inspection report was received on 1 April 2025. The remediation plan will be prepared within four weeks after receipt of the Follow Up Letter.

Bank of Italy anti-money laundering inspection

From 11 November 2024 to 11 February 2025, the Cassa Centrale Group underwent an anti-money laundering inspection conducted by the Bank of Italy with the aim of following up on the previous inspection in 2021, to verify the effective implementation of the relevant remedial plan and its effectiveness.

The inspection report is expected in May 2025.

With reference to the aforementioned inspections, the Board of Statutory Auditors provided its minutes to the Supervisory Authority and participated in any meetings called by the latter.

As part of its activities, it also received and examined the periodic updates on the status of implementation of the remediation plans approved by the Board of Directors. In this regard, the Board of Statutory Auditors has always recommended timely execution of remedial actions in compliance with the time frames represented to the Supervisory Board.

7. Supervisory activities on the adequacy of the organisational structure

The Board of Statutory Auditors became familiar with and monitored the organisational structure, especially with regard to compliance with regulatory provisions and the related changes and consolidation of the internal regulatory system. In this regard, both on the basis of direct discussions held with the Heads of the competent Corporate Functions, and in consideration of the evidence that emerged as a result of the controls conducted by the FACs, the Control Body found that the Bank's organisational and regulatory structure was substantially adequate.

During 2024, the process of adapting and strengthening the structure to the operational complexity of the role as Parent Company continued. Its activities of guidance and support of the Affiliated Banks constantly engage with the corporate structures and require periodic assessments and monitoring of adequacy and effectiveness.

Effective 4 November 2024, the Board of Directors resolved to appoint Marco Galliani as the new Chief Wealth Management Officer, reporting directly to the Chief Executive Officer.

The Board of Statutory Auditors also monitored the transposition of the regulations and policies by the Affiliated Banks and the Subsidiaries, with the help of the Internal Regulations Office, in charge of carrying out the related monitoring, in accordance with the provisions of the "Group Policy for managing internal regulations and information flows". Furthermore, it oversaw compliance with the guidelines issued by the Parent Company to the Affiliated Banks and the Subsidiaries, also obtaining information about specific provisions addressed to individual entities of the Group, through participation in board meetings and the proceedings of the Board Committees.

8. Monitoring of the adequacy of the internal control system

The Board of Statutory Auditors oversaw the adequacy of the internal control and risk management systems through:

- the acquisition of information from Top Management and the Heads of Business Departments and support to the Department;
- the analysis of the annual plans and annual reports prepared in accordance with the regulations in force by the Control Functions – Compliance, AML, Risk Management and Internal Audit – and periodic meetings with them;
- the analysis and discussions of the reports prepared by the Control Functions as a result of the verification and monitoring activities carried out;
- participation in the meetings of the Internal Board Committees and the Board of Directors during which the aforementioned reports and annual reports were presented and examined;
- the monitoring of the implementation and effectiveness of the remedial actions planned in light of the findings emerging from the reports of the Control Functions, through direct intervention or examination of the periodic reports on the relevant progress prepared by the same Functions;
- audits carried out in implementation of its activity schedule;
- the periodic meetings with the Independent Auditors in order to acquire evidence from the checks on the proper keeping of accounts and the correct recognition of management events in the accounting records and the results of the procedures checking the reliability of the administrative and accounting control system that oversees the production of financial information;
- the exchange of information and the meetings with the Control Bodies of the Group entities.

The controls and risk management system continues to consolidate in terms of reliability, integrity, functionality and adequacy thanks to: i) the gradual extension of the perimeter of controls, ii) the refinement of KPIs that guide the planning of FACs also in consideration of the weaknesses that have emerged as a result of the verification activities conducted since the start of Group operations and the related replicability characteristics detected, iii) the evolution of audits towards a consolidated approach as well, iv) the introduction of control activities with a more vertical focus within individual processes, v) the gradual development of the maturity and role awareness of Internal Representatives and the evolution of the methodologies adopted by the respective Functional Departments for the qualitative assessment of their contribution, vi) the evolution and release of support tools also for conducting remote audits.

Contributing to this are the substantial achievement of target staffing levels defined by the individual centralised Functions, the updating of the relevant regulations and the issuing of operating instructions to Internal Representatives for the performance of controls in specific areas.

As a result of the homogenisation of the main management and operational processes within the Group, the 2024 financial year saw the launch of a systematic implementation of first-level controls, mapped and defined in homogeneous terms for all the Banks of the Group and supported by a specific application that guarantees their tracking. Their release continues, with a view to their gradual extension to all processes.

The consolidation of the structure of first and second level controls on loans and the progressive implementation of the planned evolutions contribute to increasing the ability to detect, with the necessary timeliness, any signs of deterioration of the portfolio, for the purposes of the correct classification of positions, in consideration of both the size of the exposure to risk and the particular conditions of the current macroeconomic context.

During the 2024 financial year, the Board of Statutory Auditors, following up on the previously assessed opportunity to carry out an assessment of the internal control system, as well as in consideration of the results of the OSI on Governance, verified the functioning and effectiveness of the Group's internal control system based on the Link Risk Managers (LRM), through the Internal Audit department with which, in order to ensure an adequate structure and extent of the activities, it shared the scope of work and discussed periodic SALs. At the same time, the Control Body met periodically with the Risk Management Department to monitor the initiatives undertaken by the latter, in line with the evolution of its organisational structure and control framework, and to acknowledge the recommendations made to it by the JST as a result of the governance and risk management inspection. The results of the audit carried out by Internal Audit and the feedback received by the Risk Management Department – which promptly acknowledged the observations and recommendations of the Internal Audit Function and the Control Body – have in fact returned a shared picture of the overall adequacy and effectiveness of the current model adopted by the Group for risk management and control, which is characterised by risk management operated centrally by the Parent Company Function in full autonomy.

Lastly, the new Risk Management ICS assessment model, introduced as of 31 December 2024, values, as recommended, the qualitative component of the work of the representatives and makes it possible to capture training, support or mentoring needs on the basis of more objective criteria.

Internal Audit Department

During 2024, the Internal Audit Department continued the implementation of the “Assurance and Quality Improvement Programme”, prepared downstream of the External Quality Assessment Review certification issued by EY Advisory S.p.A. in November 2023, mainly aimed at (i) ensuring that the Department's activities are carried out in full compliance with the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing, (ii) improving the effectiveness and efficiency of the Internal Audit Function's processes, (iii) guaranteeing stakeholders that the audit activities carried out comply with internal and external regulations.

The Board of Statutory Auditors was in substantial compliance with the 2024 Audit Plan approved by the Parent Company's Board of Directors and, to the extent of their competence, by the Boards of Directors of the Affiliated Banks. In accordance with the provisions of the Industry Standards and the Internal Audit Function's Mandate, in addition to the planned audits, the Internal Audit Function carried out an important tracking activity through: i) monitoring the actual implementation of the corrective actions defined by the respective owners in response to the findings and recommendations provided during the audit; ii) verifying the adequacy and effectiveness of the actions taken by the audited structures; iii) continuously reporting on the results of the resolution and management of anomalies found.

The Function also carried out extra-plan activities, at the request of the Supervisory Authority or the Control Body, or yet, in consideration of specific circumstances that occurred during the year, managing these with appropriate rescheduling of interventions to avoid adverse effects on planned activities.

As a result of the activities carried out, also taking into account what emerged in the meetings of the Committee of Corporate Control Functions, Internal Audit confirmed the overall adequacy of the Group's internal control system. The progressive consolidation of the internal control system is also reflected in the positive conclusion of all audits conducted on the Parent Company and the reduction in the number of audits at Affiliated Banks concluded negatively, as attested by the Function in its annual report.

Together with Internal Audit, the Control Body reviewed and discussed the 2025-2027 Multi-Year Audit Plan with the Function before it was presented to the Board of Directors for approval in March 2025. The planning, which incorporated specific requests and/or recommendations made by the Board of Statutory Auditors, contains a specific section on internal audit activities in the field of information technology (ICT Audit). The 2025 Plan is supplemented by the introduction of a new type of intervention, called "Group Audits", the execution of which involves both the Parent Company, mainly for the assessment of the design of controls, and a pool of Affiliated Banks and/or Subsidiaries, selected for the assessment of their effectiveness. The Board of Statutory Auditors also verified the adequacy of the organisational structure of the Function, noting the achievement of the quantitative target in March 2025. Finally, it noted the launch of an internal job rotation project within the Department.

Compliance Department

The Function's activities were carried out in substantial compliance with the Group Plan approved by the Parent Company's Board of Directors in March 2024. During the year, with reference to the assessment of non-compliance risk and of the internal control system, the Function certified a gradual refinement of the Group's controls on the various regulatory areas, with progressive releases of regulations/contracts, procedures and first level controls.

The plan to adapt to the findings issued by the Bank of Italy as a result of the audit conducted in 2021 on the transparency and fairness in relations with customers, as communicated to the Supervisory Authority, was substantially completed. The remaining activities are monitored by the Compliance Function and were the subject of a specific meeting with the Bank of Italy on 10 April 2025.

The Control Body shared with the Function the 2025 Activity Plan, which sees an increase in Group audits, an increase in the efficiency of interventions with targeted sampling of Companies, the introduction of controls through the use of specific KRIs, the redefinition of the regulatory scope and the involvement of Internal Representatives on core areas, such as insurance distribution, transparency and investment services, in addition to specific activities on Claris Leasing, NEAM and Prestipay.

The Board of Statutory Auditors examined the developments of the Function's structure that, starting from the second quarter of 2025, concern the reorganisation of the Risk Assessment and Compliance Control Service and the creation of an organisational unit in a support role to the Head of the Department that will have the task, among other things, of monitoring the management of findings, ensuring an overview aimed at guaranteeing consistency of risk measurement by regulatory area and carrying out quality checks.

The Control Body, in light of the above, as well as of the feedback received during the periodic meetings with the Head, was able to verify the substantial adequacy of the current qualitative and quantitative structure of the Compliance Function in view of the activities it is called upon to perform, emphasising, however, the importance of ensuring ongoing attention to strengthening the quality of the resources assigned to it.

Risk Management Department

The Board of Statutory Auditors examined and took note of the 2025 Annual Plan and the 2024 Activity Report of the Risk Management Department, which were brought to the attention of the Board of Directors in March.

In financial year 2024, the Function's activities were particularly intense and substantially complied with the relevant planning, in respect of which there remain project queues relating to the updating of the IFRS 9 models for the determination of provisions on the "interbank" and "securities" segments.

The work on the Credit Risk Model Roadmap continued and was completed in October 2024, with the adoption of the new rating and IFRS 9 models developed internally, accompanied in the last quarter of the year by the updating of the processes adopting them. With reference to climate and environmental risks, the financial year just ended was affected by the development of the framework for measuring climate risk through the resolution of the supervisory findings under Climate letters and subsequent supplementary requests. With the

involvement of various players, the Strategic and Operating Plan for the management of climate-related and environmental risks was defined, the RAF was adjusted by including specific indicators for the measurement of physical and transition risks, and internal regulations were updated and specific periodic reporting was prepared.

In consideration of the new EBA Guidelines, a process of gradual adaptation of both methodologies and tools for measuring and monitoring interest rate and credit spread risk was initiated, which will continue over the next two years; at the same time, the activities for the preparation of the framework for the management of the new supervisory reporting were concluded, which started in September 2024.

With regard to liquidity risk, the framework for handling new weekly reports has been put in place, although some activities are still needed to streamline the feeding and calculation process for which Allitude has already been involved.

The Function also contributed to the updating of internal regulations for the implementation of the provisions of the Regulation of the European Parliament and of the Council "Digital Operational Resilience Act" (DORA) and related RTS (Regulatory Technical Standards).

The findings formulated by the Function as a result of its activities conducted during 2024 mainly refer to second level controls on credit risk, on the Group's real estate companies and on the supervisory reports produced in the area of resolution, on BCBS 239 controls on the Risk Management Department's relevant reporting, on the monitoring of operating limits (real estate portfolio risk), regulatory limits (market risk), early warning thresholds (interest rate risk in the banking book) and RAS thresholds.

Approximately one third of the findings issued to Group Companies are considered significant, with a concentration, in terms of number, in the credit and counterparty risk area, although controls in these areas have not revealed any particularly critical situations, with a limited number of Affiliated Banks affected by findings of partial inadequacy.

Pursuant to the Internal Representatives' evaluation process, as updated during the year, 10 Banks highlighted cases to be addressed and a mentorship/training course is planned for 4 of them.

During the year, the Internal Validation Service completed all the validation cycles provided for in the 2024 planning, extending, for the first time, the scope of validation also to the SRB and MRB frameworks. The only two medium-to-high severity findings concern the IFRS 9 models with specific reference to the "interbank" and "securities" segments and point to the failure to use a Delta PD measure including lifetime and forward-looking information in order to assess the increase in the risk profile.

Among the main project initiatives planned by the Function for 2025 are:

- the consolidation of the IFRS 9 models adopted during 2024, with the aim of introducing some refinements, also to respond to the new regulations that will come into force (Basel IV);
- the continuation of work on the Group's Risk Adjusted Pricing framework in response to Supervisory expectations;
- the development of the CSRBB framework, the evolution of the IRRBB at the base rate (FTP), the development of prospective measures of NII and Delta EVE, as well as the updating and re-estimation of the parameters of the behavioural models (PAV and Prepayment) with related backtesting and scenario dependency processes;
- strengthening the process of tracking operational losses inherent in operational risk and that which relates to the conduct of the various assessment campaigns;
- the refinement of the reputational risk framework, with updated risk indicators and tools;
- the design and implementation of a third-party risk management IT solution;
- a methodological evolution for ICT and security risk assessment to progress from a qualitative approach to a quantitative measurement methodology, consistent also with the DORA compliance project;
- assignment of responsibility for the new RDARR Validation model to the Internal Validation Service in order to validate the operational framework adopted for data aggregation as well as the related reporting;

- a specific project concerning the definition and implementation of the Group's Risk Management Framework Model, with the aim of mitigating any economic, equity or reputational impacts arising from the improper use of models in decision-making processes. In the area of data governance, the Department will continue to streamline and optimise internal information flows and will actively participate in the three-year RDARR programme, which involves several Parent Company structures.

Finally, with reference to climate-related and environmental risks, it will continue its coordination and development activities aimed at addressing the areas of improvement already identified by the Supervisory Authority since the 2022 Thematic Review, as well as the Decision Letter of January 2024, in order to strengthen the entire management framework of the kind of risk to which the Group is exposed.

As far as the organisational aspects of the Department are concerned, the Board of Statutory Auditors noted the achievement of the planned size target.

Anti-Money Laundering Department

The Board acknowledged the 2024 Activity Plan and the training plans of the AML Department approved at the meeting of the Board of Directors on 18 April 2024. It also examined and took note of the 2024 Group Consolidated Report and the Report of Cassa Centrale, which, approved by the Board of Directors at the same meeting, also incorporate the results of the annual self-assessment exercise.

The Consolidated Annual Report originates from the funding of the data and information provided by the individual annual reports of the Banks belonging to the Group. In the report, as expressly requested by the Supervisory Authority, the Banks most exposed and the relevant remedial actions included in their respective business plans are highlighted.

The self-assessment exercise, conducted using the updated methodology following the recommendations made by Internal Audit as a result of a specific audit on the relevant process, confirms a low residual risk for the Group, determined as the weighted average residual risk of each entity.

The results of the internal controls carried out by the Function show, in line with those reported by Internal Audit, improving data with an overall containment of vulnerability. The most relevant situations, showing a concentration of residual vulnerability especially in the processes of adequate verification and constant monitoring, were the subject of specific interventions, on site or remotely, the results of which have directed activity plans that, defined in conjunction with the Internal Representatives, will be subject to periodic monitoring and follow-up audits.

The number of Banks completing their self-assessment with negative results fell from 16 (one of which was merged) to 5, and they have included specific remedial actions in their annual programme.

The Group's consolidated Suspicious Transaction Reporting Service issued a report containing statistical analyses of the reports made as well as a brief summary of some recurring or peculiar cases.

From the point of view of statistical analysis, there is an increase in the number of reports, accompanied by an increase in those with the highest significance, i.e. high and medium-high risk. The complexity of the reports themselves has also increased, thanks to an increased degree of detail in terms of the number of parties, transactions and relationships included. As part of a process of progressive maturity to which the refinement of support tools contributes, improvements were recorded by the Group Banks in terms of the quality and timing of processing reports, and the SOS deemed "not relevant" by the FIU decreased.

During the year, the Board of Statutory Auditors continued to closely monitor the progress of the remedial plan prepared as a result of the Bank of Italy's 2021 sector inspections. Implementation of the plan was completed with the release of integration of machine learning into the management process for unexpected events. Thanks to the reduction in the production of false positives, the initiative is instrumental in focusing attention on the analysis of the riskiest positions, with a desirable contribution to the qualitative evolution of the assessments conducted on customer operations.

The Control Body also monitored the initiatives undertaken by Cassa Centrale for the containment of overdue due diligence and noted that the activities for the release of the applications for remote due diligence continued on schedule. It also involved the Internal Audit Department to acquire information from the Anti-Money Laundering Department for the purpose of conducting an audit on the process of handling Suspicious Transaction Reports, in order to assess its effectiveness and time scales. The activities conducted and the in-depth studies carried out allowed a positive assessment of the process, which also involved efficiency improvement projects. The contribution of the SOS service for the integration of the Affiliated Banks' own initiative reports, which became necessary in some cases, confirms the need to continue to provide training on the subject, also with a view to ensuring the proper use of the Group's tools being updated or released from time to time, structured, as is already the case, in accordance with the specific roles and responsibilities of the recipients. From an organisational point of view, the Function substantially achieved the defined target for resources.

Head of Internal Reporting Systems

In accordance with the relevant legislation and the "Group Whistleblowing Regulation", as updated in view of the entry into force of the changes introduced by Legislative Decree No. 24/2023, the Board of Statutory Auditors examined and approved the annual report prepared by the Head of Internal Reporting Systems, in which there is only one report involving an Affiliated Bank. However, no damage was reported, and no complaints were registered.

During the year, the Board of Statutory Auditors interacted with the Control Functions on an ongoing basis; it acquired the reports produced by them and discussed their outcomes and planned remedial actions and their progress in dedicated meetings. It also conducted monitoring/examination activities of certain Affiliated Banks affected by specific critical issues or weaknesses intercepted by the same Functions, coordinating, where necessary, with the corresponding Bodies of the same in order to acquire feedback on which to base its assessment.

On the basis of the activities carried out and the opinion expressed by the Group Internal Audit Department, while not excluding possible optimisations of the controls, the Control Body believes that the actions taken from time to time by the Parent Company and monitored reasonably allow us to conclude the absence of critical elements such as to affect the efficacy of the overall internal controls and risk management system.

The Board also assesses the information flows addressed by the Control Functions to the Corporate Bodies as adequate and appreciates their progressive refinement.

9. Monitoring of the major risk management systems

The results of the activities carried out by the Control Functions, albeit mostly positive, have highlighted some areas of attention that should direct the action of the structures involved.

✓ Strategic and business risk

As at 31 December 2024, the Group met its targets for strategic and business risk, showing good overall positioning, with only two indicators outside the appetite, but without exceeding the alert thresholds. The monitoring of the RAS at Parent Company level did not reveal any significant issues. For some Affiliated Banks, weaknesses in the business model were identified, against which corrective measures coordinated by the Planning Function were activated.

Internal Audit, while evaluating it positively, provided recommendations to improve the Group's strategic planning process, with mitigating actions, aimed at enhancing internal procedures and further refining the monitoring documents of strategic initiatives, which are being implemented and are to be completed by May 2025.

The audits of the internal audit function on equity investments held and real estate investments of the Affiliated Banks, while concluding substantial adequacy, highlighted areas for improvement related to safeguarding objectivity in the procedures for granting loans, ensuring the segregation of roles for the management of properties from credit recovery, the periodic analysis of potential impairment for the equity investments held, and the periodic updating of

expert valuations on the real estate owned by "REOCOs". Mitigations are being implemented with completion expected by the end of 2025. The audit carried out on this matter by the Compliance Function at Cassa Centrale did, however, reveal significant risks, with five findings, one of which is still being implemented. In the Affiliated Banks, on the other hand, no particular critical issues were found, and the Function reported only limited areas for improvement.

✓ Climate and environmental risks

The Group initiated a process of self-assessment and alignment to the ECB's Supervisory Expectations on C&E risks in several stages: in 2021, as a result of the completion of the first self-assessment questionnaire, it initiated an Action Plan; in 2022, it was involved in the Thematic Review on C&E risks and participated in the first regulatory stress test exercise on climate-related and environmental risks; in 2023, it formalised the first materiality analysis and defined a new Strategic Plan for C&E risk management, consisting of 21 initiatives; in 2024 it strengthened the materiality assessment of these risks, integrating them into the Group's risk management framework, with respect to the different types of traditional risks impacted, seeing no need to create a new top-level financial risk category in the Risk Map.

Monitoring indicators were developed and scenario analyses implemented to assess portfolio vulnerabilities, particularly for the loans segment, also in the context of regulatory stress tests and the ICAAP process.

The Internal Audit Department, as a result of the audit conducted on the C&E risk governance framework and the Group's ESG initiatives, issued an overall positive opinion, with the recommendation to continue to strengthen the assessments of the current and prospective relevance of the impacts of climate-related and environmental factors on traditional risks. Actions to address the recommendations are ongoing, with completion expected by the end of 2025.

✓ Governance risk

The Risk Management Function continued to work on several fronts in accordance with BCBS239, with the aim of streamlining information flows and applying the Risk Data Aggregation and Risk Reporting (RDARR) framework, defining the scope of the reports concerned, within which the main risk metrics are presented. The adaptation plan defined in view of the areas of improvement identified is monitored quarterly.

For the Affiliated Banks, careful risk control measurements were ensured at individual level, with escalations triggered in the event of critical RAS or regulatory indicators.

The analysis of MST reports, despite the absence of negative risk opinions, revealed opportunities for improvement in reporting management and PEF content. The Internal Audit Function assessed the risk culture, finding overall adequacy but suggesting the implementation of more advanced IT tools for the conduct of first-level controls and their wider extension to the various areas of the banking business. The relevant remedial actions are being implemented with completion expected by the first half of 2025.

The checks carried out by Internal Audit on the areas controlled by the Risk Management Function showed overall adequate control measurement, with margins for improvement, already noted by the ECB, of the Risk Based Model framework, to be addressed in the next update.

The Group audit carried out by the Compliance Function on whistleblowing did not reveal any significant critical issues.

The same Function reported areas for improvement for some legal entities of the Group in the area of administrative liability of entities, but did not identify any significant risks.

Internal Audit's audit of the Compliance Function's programme execution found, in a context of substantial adequacy, areas for improvement to strengthen existing control measurements. The remedial actions, which involve enriching the control matrices with additional tests to assess substantial compliance with applicable regulations, are under way and are scheduled to be completed by the first half of 2025.

The audits on external suppliers established a framework of adequacy, with suggestions for improving the outsourcing process, which have been noted.

Reviews are under way of the mitigation actions implemented in accordance with the suggestions made by Internal Audit with reference to the revision of internal regulations and planning criteria as a result of the audit conducted on Group training.

The internal audit function also highlighted areas for improvement with regard to the Gender Equality Management System and the governance mechanisms of the Affiliated Banks.

Finally, the remuneration policies complied with regulations, showing general compliance with Group policies.

✓ Risk of conflicts of interest with respect to associated parties

Internal Audit, as a result of specific investigations into the registration of Related Parties requested by the ECB as part of its on-site governance inspection, indicated that the process of adding data to the registers should be streamlined. The process of adopting suitable IT solutions for this purpose was launched with the presentation of the relevant requirements.

The audits carried out on Affiliated Banks showed that most of them comply with the requirements of the Supervisory Provisions and internal policies for the management of risks arising from transactions with related parties, though for some it was necessary to recommend that greater attention be paid to the mapping and monitoring of in-scope parties, as well as to the formalisation of resolutions and the quality of preliminary analyses relating to the creditworthiness of related counterparties. In particular, only one Bank had a negative outcome due to this kind of weakness. On the other hand, the Compliance Function did not identify any significant risks, and the Risk Management Department did not identify any critical issues with respect to compliance with the RAS thresholds as at 31 December 2024, either at the consolidated or individual level.

✓ Credit and counterparty risk

The Risk Management Function emphasises the importance of complying with the programme of gradual compliance with the Supervisory Guidelines on the granting and monitoring of loans (EBA LOM), also to ensure a satisfactory level of uniformity of Group rules and policies. In this perspective, important steps were taken with the start of the gradual release of the new PEF, the updating of the Group's lending regulations and the release of the credit policy strategies. The Compliance Function reports, in addition to delays in complying with the EBA LOM Guidelines, the need to implement at Group level uniform rules and first-level controls in relation to the deliberation, finalisation, release and monitoring of credit commitments for which specific mitigation actions are open. The routine audits conducted on Cassa Centrale in the areas of ESG, securitisation, sale of impaired loans and related consolidated reports did not reveal any significant risks, as only areas for improvement were identified, which were followed up with the necessary mitigation actions.

The Risk Management control framework was consolidated during the year for a more holistic management of credit risk. The main interventions concerned the integration of new indicators, the expansion of the scope of certain control areas, the revision of the risk assessment model by area and the extension of the overall scope of application. The final summary rating (credit score) as at 31 December 2024 showed an improvement in the Banks' ranking, with an increase in the number of institutions classified as adequate.

The scope of Banks with inadequacy profiles was reduced to four, against which enhanced monitoring was initiated to address the weaknesses identified.

The preliminary assessment carried out by Internal Audit during the development phase of the new rating system and valuation models, adopted as from October 2024, showed an overall alignment with the best market practices and the indications of the Control Functions and a better use of the available information assets in the estimation process, as well as decisions shared with the Business Functions.

The audit conducted on the adoption of Group regulations in the loans area did not reveal any particular critical issues.

The audits on calendar provisioning and the MST management process were also concluded with a positive rating, and the audited structures took steps to achieve the reported margins for improvement.

The audit opinion issued on the OSI Retail remediation plan gives a picture of overall suitability of the responses to the requests of the Supervisory Authority.

The audits on the Affiliated Banks in relation to lending, monitoring and NPL management showed an overall alignment with best practices, although recommendations were necessary in some cases concerning the higher-risk classification of certain credit exposures, the timely review of past-due revocable positions, the more appropriate management of note and investigation workflows, the appropriate use of the NPL Management application, and the complete assessment of Risk Groups. Only 4 legal entities concluded negatively.

✓ Operational risk

Operational risk monitoring conducted by the Risk Management Function did not reveal any overruns of the alert thresholds for the target indicators, with overruns found only for some monitoring indicators. The Group's actual operating losses at 31 December 2024 amounted to approximately EUR 19.6 million, with a significant impact from events related to customers and professional practices. The most significant event (loss of more than EUR 1 million) is attributable to the damage caused to two Affiliated Banks by the floods in the Emilia-Romagna region.

The audit revealed inconsistent approaches in Virtual Banking management, recommending a Group regulation to standardise procedures and controls. Related mitigation actions are scheduled to be completed by October 2025. Other areas of improvement identified concern collateral management, the process of generating supervisory reports, management of pensions and separate accounting, with the timeframe for implementation of the related remedial actions ending in 2025. Audits of the cash and cheque management processes showed overall adequacy, with improvements possible through implementations planned by September 2025.

The follow up conducted by Internal Audit on the Group's expenditure governance process concluded positively, with evidence of the need to strengthen the monitoring of the use of the "attestation" by certain legal entities and the advisability of defining more objective criteria to guide the negotiation approach and intercept the cases for which the activation of the mandatory contractual clauses is required. The owner structure has taken over the corrective actions with completion expected by March 2026.

Group audits on data quality and SCV reporting returned positive results, with suggestions for which initiatives are planned to be implemented by October 2025.

With regard to Allitude's back office services, the Internal Audit Function pointed out the need to finalise some contracts and strengthen the traceability of user requests and checks performed.

Audits conducted on Affiliated Banks in the areas of collections and payments, entities treasury, branches, general accounting and financial statements also closed in positive territory overall. The areas of improvement found concern the correct handling of CAI cases and the assets commercial portfolio, as well as the execution of all line controls required by process regulations.

✓ ICT and security risk

The Group, in compliance with the provisions introduced with the 40th update of Bank of Italy Circular No. 285/2013, which broadened the concept of ICT and security risk management, has established, as required, the specific second-level Control Function, identifying it within the Compliance and Risk Management Functions – in relation to the roles, responsibilities and competences of each – to ensure the proper performance of tasks, the effectiveness of controls and the necessary technical skills.

The Risk Management Function completed its IT risk assessment for 2024, showing a medium-low risk level for the 48 services provided by Allitude.

Already as a result of previous ICT and security risk analyses, some mitigation actions had been identified for specific services. Its completion, initially scheduled by 2024, was postponed to 2025 due to the complexity of the project and the project extension necessitated by the Digital Operational Resilience Act (DORA), but did not record any cyber incidents in 2024.

In the analysis of 11 Group Banks, none of the 66 ICT services analysed showed an actual residual risk exceeding the targets set. In addition, the Risk Management Department worked on eight Requirements included in the Operational Plan during 2024, confirming the containment of the related ICT risk within acceptable limits, and consequently the possibility of proceeding with project activities in accordance with the defined priorities and timeframes. The Compliance Function conducted extraordinary audits on Cassa Centrale and focused on the sharing of the Group's information assets and the DORA, finding room for improvement, in the absence of significant risks.

The suggestions made by Internal Audit as a result of activities carried out on the Parent Company, Allitude, Prestipay and some Affiliated Banks aim, in a context of overall adequate risk control, to strengthen it and increase the effectiveness of the controls implemented.

Finally, in the area of privacy, a project is being developed to automate the deletion of personal data on the Banks' information systems after the retention period has passed. Pending the completion of the project, preliminary planning will bring the current core banking platform into line with data protection regulations as soon as possible, by 30 June. Finally, in the face of anomalies intercepted on Affiliated Banks in the context of sending notices of irregularities in payments to the SIC and the related possibility of proving their delivery to the stakeholders involved, specific mitigation actions with medium-high severity have been assigned, which are currently being implemented.

✓ Risk of fraud

During 2024, Internal Audit launched a number of initiatives concerning the overall system of controls relating to the management and control measurements of fraud risk, with a focus on internal fraud risk. Preliminary analyses did not find any relevant phenomena.

✓ Reputational risk

During 2024, the Risk Management Department detected 1,197 complaints (banking and financial) at Group level, which did not result in any RAS thresholds being exceeded. There were also two sanctions from the Bank of Italy (alleged infringement of Legislative Decree No. 231 of 21 November 2007 and delayed reporting of counterfeit banknotes), while no data breaches reported to the Data Protection Authorities were detected, nor ICT incidents classified as "serious IT security incidents".

The audit conducted by Internal Audit on the framework for measuring and monitoring reputational risk returned a positive outcome, though aspects for improvement were identified concerning the opportunity to: (i) identify additional processes to be analysed during the RRA, (ii) strengthen the methodology for analysing the level of materiality of exposure to climate and environmental risks, and (iii) activate escalation processes in the event of exceeding the upper limit threshold of the indicator "Number of sanctions imposed by Supervisory Authorities". The Risk Management Function defined appropriate mitigation actions to be addressed by the end of 2025.

✓ Risk of non-compliance with rules

The assessment of non-compliance risk and the internal control system for the year 2024 shows a progressive improvement in the Group's controls. The adaptation plan approved in response to the results of the Bank of Italy inspection on transparency of banking services has been substantially completed, and monitoring of further residual remedial initiatives to be implemented by 2025 is active, and for which discussions with the Supervisory Authority are under way.

Audits by Internal Audit on the Product Oversight Governance process and transparency controls performed by the Parent Company report positive summary assessments, although there are suggestions for strengthening the controls. In the Investment Services area, 71 corrective actions are planned, half of which have already been implemented. The Compliance Function reported the need for adjustments for the clarity of information on sustainable finance, with deadlines set for March 2026.

In the area of investment services, audits by Internal Audit on Cassa Centrale showed good results, with evidence of only limited room for improvement, while some Affiliates were alerted to the need for greater attention to reprofiling potentially contextual to the purchase of financial instruments, the completion of questionnaires, and potential inconsistencies between specimen signatures and documentation signed by customers.

In the insurance distribution sector, audits at the Affiliated Banks on the placement process of policies coupled with loans revealed, despite an overall positive assessment, the need to improve data management and the formalisation of the assignment of placement agents and repayments of unused insurance premiums.

Compliance checks in the area of market abuse on the Parent Company and benchmark regulation of Cassa Centrale and a pool of Affiliates did not reveal any significant critical issues, although checks are considered necessary to ascertain that all Group Banks have updated, based on Parent Company instructions, the contracts and transparency meta-models based on non-Group documentation and that the products for which the Banks have not updated are all fixed rate.

With regard to the out-of-court settlement of disputes, findings were made, some of which concerned the Parent Company, on complaints management and the drafting and completeness of the report on disputes. The necessary remedial initiatives are being implemented with completion scheduled by November 2025. Significant risks were found limited to two Affiliated Banks with regard to general governments treasury services and tax compliance.

Finally, delays were reported in the implementation of some regulatory compliance projects, with the need for mitigation actions in specific areas.

✓ Risk of money laundering and financing of terrorism

In 2024, the risk indicators for the Risk Appetite Framework (RAF) were updated, allowing Banks to monitor and manage any overruns.

When specific combinations of these indicators occur, based on quarterly readings, the AML Function is able to highlight them to the bank concerned and support the Risk Management Function in determining the actions to be taken in order to fall within the risk appetite limits defined by the Group.

The year 2024 saw a series of implementations to streamline processes in the areas of due diligence, suspicious transaction reporting, self-assessment and controls.

The Anti-Money Laundering Function continued to monitor the adequacy and effectiveness of the anti-money laundering control measures adopted by the Group Banks and to conduct periodic audits, either directly or through Internal Representatives, aimed at ascertaining the efficiency of processes and the adequate monitoring of customer operations.

Following an audit conducted on the AML self-assessment process, the Internal Audit Function found that certain improvements needed to be made, such as: i) the activation of risk indicators for products and distribution channels; ii) the formalisation of a methodological annex listing the products to be considered in the self-assessment exercise and the correlated level of risk; iii) including in the scope of consolidation also the Subsidiaries Prestipay and NEAM that have not outsourced the Function to the Parent Company; iv) completing the methodological documents with evidence of the rationale underlying the Parent Company's decisions with regard to the inherent and effectiveness risk indicators and the vulnerability macro areas. The AML Function took the necessary remedial actions, which were implemented in time for the last self-assessment exercise, which, conducted in the current month, did not return evidence of legal entities with high residual risk.

The audits conducted by Internal Audit on Subsidiaries, such as Assicura Agenzia S.r.l. and Claris Leasing S.p.A., confirm the need to improve the assessments carried out by the Banks in the course of adequate enhanced due diligence especially, avoiding generic comments and standard phrases. The interventions on the Affiliated Banks with regard to the control measures of the entire anti-money laundering process ended with mainly favourable summary evaluations, with recommendations concerning: i) completeness and accuracy of analyses and comments during due diligence and the evaluation of EPAs, as well as compliance with

the deadlines for their processing; *ii*) effectiveness of monitoring trust companies and trusts, as well as customers with complex equity holdings; *iii*) adequacy of control measures on the risk associated with customers operating in higher risk sectors; *iv*) the need for training on the subject for operators. In only one case did the weaknesses found in the processes of due diligence and constant monitoring result in an overall unfavourable assessment. Interventions with a focus on due diligence, which were carried out for the first time in 2024, found significant critical issues only with regard to two Affiliates in view of the perceived need to strengthen the quality of analysis and comments by operators. The attention of the Audit Function remains high, in constant coordination with the Anti-Money Laundering Department.

✓ **Market risk**

The Group takes a prudent approach to managing market risk, maintaining low levels of exposure and focusing on the allocation of financial instruments for intermediation and risk hedging. This approach includes meeting capital requirements, limiting the net open foreign exchange position and restricting the trading book to brokerage and derivative instruments not included in the banking book.

As at 31 December, there was an increase in the capital requirements for market, CVA and counterparty risk, offset by an increase in own funds, thus allowing capital absorption to remain stable. There was an increase in Value at Risk and Modified Duration, consistent with the Group's strategy. There were no particular critical issues in the monitoring, except for one Affiliated Bank that exceeded the early warning threshold for HTC changes without following up on an assessment request.

Audits on the process to manage the securities portfolio returned positive results, although a number of areas for improvement were identified, including the enhancement of reporting, the updating of delegation regulations and the strengthening of internal controls on authorisation profiles and operating limits. Corrective actions will be implemented by June 2025.

✓ **Interest rate risk of the banking book**

In 2024, there were no overruns of the thresholds for monitoring interest rate risk levels, despite a slight increase in the riskiness of the indicators, attributable to the increase in the duration of the securities portfolio and the significant disbursements of fixed-rate mortgages.

✓ **Liquidity and funding risk**

The Group takes a prudent approach to ensure an adequate level of liquidity to manage both expected and unexpected payment commitments.

The Group's liquidity situation as at 31 December 2024 showed no critical issues.

The regulatory indicators LCR (292.02%) and NSFR (179.93%) were well above the regulatory thresholds.

In addition, the stress tests conducted on the indicators, both with regard to idiosyncratic and market events and inherent climate and environmental risks, show the absolute resilience of the Banking Group. There is no particular tension on the funding side either.

10. Supervisory activities in relation to the statutory audit pursuant to Articles 16 and 19 of Legislative Decree no. 39/2010

The Group's separate and consolidated financial statements are externally audited, pursuant to Legislative Decree 39/2010, by Deloitte & Touche S.p.A., appointed for the financial years 2021-2029 by resolution of the Shareholders' Meeting of 16 June 2021.

Pursuant to Art. 19 of Legislative Decree 39/2010, during 2024 and up to the date of this Report, the Board of Statutory Auditors, in its role as the Internal Control and Audit Committee, has intensively monitored the auditing activities of the Separate Financial Statements and the Consolidated Financial Statements of the Cassa Centrale Group through constant dialogue and periodic meetings with the auditors, and has not detected any critical aspects. In this regard, it is acknowledged that on 29 April 2025, the Independent Auditors issued its annual

confirmation of independence pursuant to Article 6 of Regulation (EU) No. 537/2014, from which no situations emerged that could compromise its independence.

During 2024, the Board of Statutory Auditors monitored, pursuant to the "Group Policy for conferring tasks upon the person responsible for the external audit and/or other companies belonging to the reference network", the independence of the auditor, particularly in reference to the adequacy of the provision of services other than auditing pursuant to Article 14 of Legislative Decree 39/2010, where allowed insofar as they are not incompatible, provided by the Independent Auditors or by other entities belonging to its network.

Based on the final figures for 2024, the value of the services provided to the Parent Company by the auditor amounted to approximately EUR 118,000 and almost exclusively related to attestation engagements, which can be assimilated to an extension of auditing activities; consequently, they do not compromise the auditor's independence and are not counted for the purpose of determining the "fee cap" rule under Article 4, paragraph 2 of the aforementioned European Regulation.

In the notes to the consolidated financial statements of the Cassa Centrale Group as at 31 December 2024, the fees for the year 2024 paid to the Group's independent auditor are disclosed.

The main issues examined and discussed with the Independent Auditors concerned:

- the planning and the progress of the limited audit of the consolidated financial statements at 30 June 2024, as well as the main accounting issues relating to the aforementioned financial reporting and any difficulties encountered;
- the strategy and planning for the external audit of the Separate and Consolidated Financial Statements as at 31 December 2024 with an indication of the subsidiaries included in the scope of consolidation and audited by other independent auditors;
- the status of the preliminary intervention of the audit activity and in particular the analysis of the internal control system that oversees the preparation of financial information for the purposes of assessing audit risk;
- the audit approach to the potential risk of fraud;
- key aspects of the audit, namely the classification and measurement of loans to customers for loans measured at amortised cost;
- the outcome of checks on the proper keeping of accounts and the correct recording of management events on accounting records;
- the acquisition of the audit and the confirmation of the key aspects identified in the planning that the auditor considers to be most relevant to the presentation of his/her audit opinion;
- analysis of the contents of the Additional Report.

In the course of the meetings held, the Board of Statutory Auditors updated the persons responsible for auditing in relation to the supervisory activities carried out and the related outcomes, in addition to the relevant and significant events involving Cassa Centrale.

The Control Body had the opportunity to report to the Board of Directors on the main issues arising, informing the directors of any problems encountered; in this regard, there are no particular observations to report.

In its Reports on the audit of the Separate and Consolidated Financial Statements issued on 29 April 2025, the Independent Auditors expressed an opinion stating that:

- the Separate and Consolidated Financial Statements provide a true and fair view of the equity and financial position of Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A. and of the Cassa Centrale Cooperative Banking Group as at 31 December 2024, as well as the results of operations and cash flows for the year ended on that date in accordance with the International Financial Reporting Standards adopted by the European Union and with the measures issued in implementation of Articles 9 of Legislative Decree No. 38/05 and 43 of Legislative Decree No. 136/15;
- the Reports on Operations, which are the responsibility of the Directors: i) are consistent with the Separate and Consolidated Financial Statements of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. and the Cassa Centrale Cooperative Banking Group as at 31 December 2024; ii) are prepared in accordance with the law (with the exception

of the section related to the consolidated sustainability statement); iii) provide the information required by Article 123-bis, paragraph 2, letter b) of Legislative Decree No. 58/98.

In its Reports on the audit of the Separate and Consolidated Financial Statements, it also certified to have nothing to report, based on the knowledge and understanding of the company and of the related context acquired during the audit activity, with reference to the declaration referred to in Article 14, paragraph 2, letter e-ter) of Legislative Decree 39/10 on significant errors in the Reports on Operations accompanying the Financial Statements.

The Independent Auditors also submitted to the Board of Statutory Auditors the Additional Report required by Article 11 of Regulation (EU) no. 537/2014, which does not reveal any weaknesses in the internal control system inherent in the financial reporting process, nor any circumstances to be reported as a result of the checks carried out on the regular keeping of the Company's accounts and the correct recording of operations in the accounting records. Lastly, the Board of Statutory Auditors has noted the Transparency Report for the year ended 31 May 2024, available on the Deloitte & Touche S.p.A. website which contains the information required by Article 13, paragraph 2, letters d), g) and h) of European Regulation no. 537/2014 on the internal control and quality system, compliance with independence requirements and continuous training of the Independent Auditors.

11. Monitoring of the administrative and accounting system and the financial and sustainability reporting process

For the purposes of supervising the adequacy of the administrative and accounting system and the financial reporting process, the Board of Statutory Auditors, also in its capacity as the Internal Control and Audit Committee pursuant to Art. 19, paragraph 2, letter c) of Legislative Decree 39/2010, in addition to the aforementioned in-depth examinations carried out with the Independent Auditors, from which no significant critical aspects of the Internal Control System inherent to the financial reporting process emerged, carried out the scheduled and periodic meetings with the Head of Administration and Tax Reporting Department and the competent structures of the Risk Management Department, according to their respective areas of activity. The administrative and accounting procedures for the formation of the Separate and Consolidated Financial Statements, as with any other financial communication, were prepared under the responsibility of the Head of Administration and Tax Reporting Department, who oversees a structured process including controls focused on the Affiliated Banks and Subsidiaries, suitable for providing reasonable certainty on the reliability of the financial information. The consolidation process is governed by the "Group Consolidated Financial Statements and Accounting-derived Statistical and Financial Reporting Regulations", approved by the Board of Directors on 25 May 2023, which is operationally embodied in specific procedures approved by the Administration and Tax Department.

In 2024, the Control Body examined the outcomes of the audit conducted by the Internal Audit Department on the process of generating the CCB Group's consolidated accounting data and related financial statement schedules, which confirmed the overall adequacy of the internal regulatory framework and operational tools adopted, as well as the effectiveness of the controls implemented by the Parent Company.

The Board of Statutory Auditors also analysed the methods and results of the assessment of the main items subject to accounting estimates related to writedowns on loans, the fair value of financial instruments, income tax, goodwill and intangible assets.

The Control Body also oversaw the control process of the credit risk measurement and prevention systems, discussing them systematically with the functions in charge of monitoring and with the Independent Auditors, from which it received no reports of anomalies.

In view of the current historical framework, which sees the banking sector subject to numerous challenges due to both the rapid evolution of the external geopolitical and macroeconomic context and the management of certain emerging risks, and in line with the roadmap for the evolution of the IFRS9 Framework shared with the Supervisory Authority, the Group introduced the new IFRS9 models in the final quarter of 2024, which refine the valuations of credit exposures, aligning them with market best practices. These models, in addition to being based

on new methodologies, involve the following components: i) an estimation process based on the new definition of default (Art. 178 of CRR), ii) segmentation of customers in line with the process for granting and monitoring credit, iii) new counterparty rating systems, iv) a more complete level of diversification based both on characteristics of the counterparty and the type of exposure.

The macroeconomic uncertainties resulted in the identification of some areas of intervention considered worthy of further actions to increase coverage levels, in line with the strict requirements envisaged by the Group policies and with the recommendations of the Supervisory Authority.

In this context, during 2024, the Group maintained (i) the system of minimum provisioning at the geo-sectoral level introduced in 2022-2023 on the performing positions considered more risky since they fell into the economic sectors most vulnerable to the indirect effects of the Russia/Ukraine conflict, (ii) the system of additional provisioning on variable rate mortgage loans in stage 2 introduced in 2023 to prevent negative impacts on credit risk related to the increase in interest rates.

As per a conservative and forward-looking approach in accordance with the provisions of IAS/IFRS accounting standards, in the fourth quarter of 2024 the Group introduced specific overlays to factor in additional possible vulnerabilities associated with the macroeconomic and geopolitical environment of reference:

- a sector overlay, which envisages an increase in the expected losses for counterparties operating in the construction, real estate and automotive sectors;
- a general overlay, to take into account the volatility of the measurement system (so-called "model risk" and similar to category C MOCs of advanced models) in the context of adopting a new model (IFRS 9 rating system and model) and given the subsequent back-testing and possible refinements thereto.

A further area of intervention concerned positions in stage 3 defined as sub-threshold, in accordance with the Group internal regulations. Following the introduction of a new LGD model specifically for in default positions, the previous minimum coverage on these positions was removed.

The Board of Statutory Auditors monitored the process of impairment of goodwill, equity investments and intangible assets with a finite useful life as of 31 December 2024, through in-depth analyses conducted in special meetings with the Administration and Tax Reporting Department and with the Independent Auditors, jointly with the Risks and Sustainability Committee, noting that the analyses conducted did not reveal any elements that would require write-downs as of 31 December 2024.

The Cassa Centrale Group's securities portfolio at fair value mainly consists of listed government securities with fair value level 1 that, therefore, do not give rise to valuation issues. Deferred tax assets are recognised against adjustments to loans, goodwill and intangible assets: the tax rules relating to the convertibility of these into tax credits give "certainty" to the recovery of qualified DTAs, automatically fulfilling the probability test contemplated by IAS 12. With reference to write-downs and losses on loans to customers not yet deducted from taxable income pursuant to Art.106, paragraph 3 of the Consolidated Income Tax Act (TUIR) and the expected credit loss (ECL) model adjustments under FTA IFRS 9 on loans to customers that cannot be converted into a tax credit (Article 1, paragraphs 1067-1069, Law No. 145 of 30 December 2018), it should be noted that Article 1, paragraphs 14-16 and 17 of Law No. 207 of 30 December 2024 provides, effective as of 2025, for the rescheduling of the multi-year plan for the tax recovery of part of these adjustments, with a consequent revision of the timing of the cancellation of the related deferred taxes recognised. In light of the above, the information received and the analyses carried out, the definition of the administrative and accounting structure appears suitable for addressing the company requirements expressed during the year and for the provisions of the current regulations of reference.

Although the Independent Auditor is responsible for the external audit pursuant to Legislative Decree 39/2010, on the basis of the information received from it, from the Head of the Administration and Tax Reporting Department and the results of the audits provided for in Articles 2403 et seq. of the Italian Civil Code, the Control Body can reasonably affirm that the

administrative and accounting system is, as a whole, adequate and reliable and that operations are recorded correctly and with due timeliness.

12. Consolidated Sustainability Statement

Legislative Decree 125/2024, which transposed Directive (EU) 2022/2464 into Italian law, stipulates that, starting with the financial statements for the year ending 31 December 2024, listed companies, Banks and insurance companies (Public Interest Entities or PIEs) exceeding certain size limits must prepare a sustainability report to be included as a specific section in the Report on Operations. Since the Cassa Centrale Group qualifies as a large Public Interest Entity, it is therefore obliged to prepare the consolidated sustainability statement as at 31 December 2024, in order to ensure a comprehensive understanding of its business activities, performance, results achieved and impacts generated from an ESG perspective.

As required by Article 10, paragraph 1 of the decree, the Board of Statutory Auditors, "within the performance of the functions assigned to it by law", monitored compliance with the provisions introduced by said decree.

In particular, it:

- acquired knowledge from the structures responsible for the sustainability reporting process of an adequate organisational structure for sustainability reporting in terms of resources and information systems;
- acknowledged the internal regulations issued on the matter, with particular reference to the "Group Regulations on Preparation of Consolidated Sustainability Reporting" and the "Group Procedure on Preparation of Consolidated Sustainability Reporting", adopted with the aim of ensuring that consolidated sustainability reporting is both timely, complete and reliable;
- supervised the implementation and receipt of adequate information flows to corporate bodies, which are functional to the definition of sustainability reporting;
- verified that sustainability reporting is structured in a manner consistent with the provisions of Articles 3 and 4 of the decree and with the objectives set out in the 2025-2027 Strategic Plan;
- supervised the sustainability reporting process, meeting, also in its capacity as the Internal Control and Audit Committee, with the Independent Auditor in charge of certification for an "exchange of information" on the planning of related activities, on the level of extension of controls to group companies with data included in the document, on the internal control system and on the results of controls carried out, also in relation to the presence in the reporting of all mandatory information;
- acknowledged that, on 29 April 2025, the Independent Auditor certified that, on the basis of the work performed, no evidence had come to its attention to suggest that (i) the consolidated sustainability statement of the Cassa Centrale Banca Cooperative Banking Group relating to the year ended 31 December 2024 had not been prepared, in all material respects in accordance with the reporting standards adopted by the European Commission pursuant to Directive 2023/34/EU, (ii) the information contained in the "European Taxonomy" section of the consolidated sustainability statement had not been prepared, in all material respects, in accordance with Article 8 of Regulation (EU) No. 852 of 18 June 2020.

On the basis of the information obtained, the Board of Auditors certifies that no elements of non-compliance and/or violation of the relevant regulatory provisions have come to its attention.

The Control Body, while positively assessing the completeness and adequacy of the procedures, processes and structures that oversee the production of sustainability reporting, recommended a general strengthening of the internal control system, through a precise definition and tracking of the various levels of control, in light of the transversal nature of information and data on sustainability and the need to ensure their measurability, quality and comparability.

13. Remuneration policies

The Board of Statutory Auditors noted that, on 13 March 2025, the Board of Directors approved the document "Remuneration and Incentive Policies of the Cassa Centrale Banca Group 2025", which defines the principles and standards used to outline, implement and monitor the Group's remuneration systems, to be submitted for approval to the Shareholders' Meeting called for 5 June next.

The Group's remuneration and incentive policies for 2025 were defined on the basis of the 37th update dated 24 November 2021 of Circular 285/2013 – "Supervisory Provisions on Remuneration and Incentive Policies and Practices".

The annual policy review took place in the context of a regulatory environment that was largely unchanged from the previous year and, therefore, no specific regulatory adjustments were made.

The changes introduced are therefore limited to updates consistent with the evolution of the context at Group level and mainly concern the refinement of the ESG objectives within the MBO incentive system and the updating of the value of the variable remuneration amount considered "particularly high", taking as a reference, for the three-year period 2025-2027, the indicator provided for by current regulations.

The Board of Statutory Auditors examined:

- the report of the Internal Audit Function that accounts for the results of the audits conducted during 2024 on the implementation of the Group's remuneration system, as a result of which it was ascertained that the initiatives taken on staff remuneration were consistent with the principles and rules set forth in the internal and external reference regulations, and that the process followed for the definition of the 2025 Policies was adequate;
- the prior opinion of the Compliance Function on the compliance of the Group's Remuneration Policy 2025 with the relevant regulations.

In addition to what has already been reported, it should be noted that, within the scope of its prerogatives, the Board of Statutory Auditors participated in the meetings of the Remuneration Committee, taking note of the activities (investigation, consultation or proposal, depending on the case) carried out by the same, also for the purpose of issuing the opinions envisaged by regulations on the subject.

During the year ended 31 December 2024, the Board of Directors approved the "Annual Incentive Plan (MBO 2024) for Key Personnel of the Parent Company", which defines the performance targets to be met in order to activate the Plan.

The Board of Statutory Auditors focused its attention on compliance with the legal and regulatory constraints concerning the incentive system of the Corporate Control Functions, to safeguard their independence and autonomy, working in close connection with the Remuneration Committee and the Risks and Sustainability Committee.

Finally, it should be noted that the Cassa Centrale Group adopts concrete diversity, equity and inclusion practices and has obtained, together with some Affiliated Banks and Subsidiaries, UNI PDR 125:2022 certification. The Group confirms its commitment to ensuring that its remuneration policies are gender-neutral and that, for equal work, staff have equal levels of remuneration.

14. Preparation of opinions and reports

As part of the supervisory activities carried out during the financial year ended as at 31 December 2024, the Board of Statutory Auditors:

- issued the Report on Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP);
- commented on the Internal Audit Department's Report on Outsourced Essential or Important Functions, pursuant to Bank of Italy Circular no. 285/2013, Part III, Chapter 6, Section II, para.2;
- approved the Consolidated Report on Internal Whistleblowing Systems as required by Bank of Italy Circular no. 285/2013, Part I, Title IV, Chapter 3, Section VIII;

- expressed a favourable opinion on the process of defining risk appetite levels for exposures to the Related Parties of the Parent Company and individual Affiliated Banks;
- issued its binding opinion on the revision of the "Group Regulation for the management of transactions with related parties";
- expressed a favourable opinion on the integration of the fees to be paid to the Independent Auditors relating to the engagement for the statutory audit and the engagement for the limited review of the Consolidated Sustainability Report;
- taking account of the provisions of the "Group Policy for conferring tasks upon the person responsible for the external audit and/or other companies belonging to the reference network" reviewed the documentation and issued prior approval of the tasks for audit-related and non-audit-related services, following assessment of the potential risks for the independence of the Independent Auditors identified by Article 10 of Legislative Decree No. 39/2010.

15. Significant events occurring after the end of the financial year

In the Report on Operations accompanying the Financial Statements, the Directors stated that after the end of the financial year, until the date of its approval by the Board of Directors, no events had occurred that were likely to have a material impact on the financial position and results of operations for the year ended 31 December 2024.

16. Conclusions

Dear Shareholders,

the separate Financial Statements of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. as at 31 December 2024 closed with a net profit of € 36,974,581 and equity of € 1,221,084,872.

The Board of Statutory Auditors, considering the supervisory activities carried out and the opinions expressed in the Audit Reports by the appointed auditors, did not observe any reasons impeding the approval of the draft Separate Financial Statements as at 31 December 2024 accompanied by the Report on Operations and the approval of the proposal for the allocation of the net profit for the year formulated by the Directors.

Finally, we would like to remind you that, with the approval of the financial statements as at 31 December 2024, the term of the Board of Statutory Auditors expires due to the end of the three-year period and you are therefore called upon to appoint a new Control Body for financial years 2025-2027.

On this occasion, the Control Body would like to thank you for your trust and also extends its gratitude to the structures of Cassa Centrale for their constant cooperation during its mandate.

Trento, 29 April 2025

Pierpaolo Singer
Auditor

Chairman of the Board of Statutory



Lara Castelli

Standing Auditor



Mariella Rutigliano

Standing Auditor



Independent Auditors' Report on the Financial Statements of Cassa Centrale Banca

**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. (the “Bank”), which comprise the balance sheet as at December 31, 2024, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended, and the explanatory notes, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and to art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Bank in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide 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 valuation of loans to customers for financing measured at amortised cost

Description of the key audit matter

As indicated in the explanatory notes “Part B - Information on the balance sheet – Section 4 of Assets” and in the report on operations in the Chapter “Operating performance of Cassa Centrale Banca” – paragraph “Credit Quality”, the gross amount of loans to customers for financing measured at amortised cost as at December 31, 2024 is equal to Euro 2,840.1 million (of which Euro 19.2 million of non-performing loans), reduced by adjustment provisions of Euro 47.9 million (of which Euro 15.0 million related to non-performing loans), resulting in a net amount of Euro 2,792.2 million (of which Euro 4.2 million of non-performing loans).

Furthermore, the report on operations shows that the coverage ratio of the aforementioned loans to customers as at December 31, 2024 is equal to 1.7%. More specifically, in accordance with the allocation required by IFRS 9 “Financial Instruments”, the coverage ratio of performing exposures, classified in “First Stage” and “Second Stage”, is equal to 1.2%, while the coverage ratio of non-performing exposures, classified in “Third Stage”, is equal to 78.3%.

The explanatory notes “Part A – Accounting Policies” and “Part E – Information on Risks and Related Hedging Policies” describe:

- the processes and the classification criteria of credit exposures adopted by the Bank in compliance with the current provisions of the Supervisory Authorities and in accordance with the applicable accounting standards;
- the measurement criteria of loans to customers for financing measured at amortised cost as well as the estimate methods of the expected credit losses and for determining the consequent loan loss provisions based on the allocation of credit exposures among the three reference stages.

Furthermore, it also be noted that the credit monitoring processes and controls adopted by the Bank as part of its policies for managing loans to customers provide, moreover, a more structured segmentation into homogeneous risk clusters. In this regard, in addition to the valuation purposes, in particular, the uncertainties arising from the current macroeconomic context were taken into account. In 2024, in fact, the aspects of uncertainty were worsened by the continuation of geopolitical tensions, the volatility of energy prices, the complexities and instabilities reflected in the real growth perspectives of certain markets and sectors to which the Bank is exposed, conditioned by the national and european economic framework as well as by monetary policy transmission mechanisms.

Considering the significance of the amount of loans to customers for financing measured at amortised cost recorded in the financial statements, the complexity of the monitoring process of the credit quality and of the estimation process of the expected credit losses adopted by the Bank, which also took into account, in the current macroeconomic context, the application of certain fine tuning and specific overlays to the IFRS 9 Impairment model, and the relevance of the discretionary components inherent in such processes, we considered the classification and valuation of loans to customers for financing measured at amortised cost as a key audit matter of the financial statements as at December 31, 2024.

Audit procedures performed

The main audit procedures performed, also supported by specialists of the Deloitte Network, were as follows:

- analysis of the lending process with particular reference to the recognition and understanding of the organizational and procedural controls set up by the Bank to ensure the monitoring of credit quality and the correct classification and measurement of the credit exposures in accordance with the regulatory framework, the internal policies and applicable accounting standards;
- check the implementation and operating effectiveness of the relevant controls identified in relation to the classification and valuation processes of loans to customers for financing measured at amortised cost;
- check, on a sample basis, the classification of performing loans to customers for financing measured at amortised cost in accordance with the regulatory framework, the Bank's internal policies and applicable accounting standards, with focused analysis on performing loans category known as "bonis sotto osservazione";
- analysis and understanding of the main valuation models adopted by the Bank for the determination of the loan loss provisions relating to performing loans, and the related fine tuning and specific overlays in order to also reflect the uncertainties arising from the current macroeconomic context, as well as check of the reasonableness of the parameters subject to estimation;
- check, on a sample basis, of the classification and measurement of non-performing loans to customers for financing measured at amortised cost in accordance with the regulatory framework, the Bank's internal policies and applicable accounting standards;

- trend analysis of loans to customers for financing measured at amortised cost and of related loan loss provisions, also through examination of the monitoring reports provided by the Bank and discussion of the related results with the functions involved;
- analysis of subsequent events occurring after the reference date of the financial statements;
- check the completeness and the compliance of the disclosures provided in the financial statements in accordance with the regulatory framework and applicable accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and to art. 43 of Italian Legislative Decree no. 136/15, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Bank or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. has appointed us on June 16, 2021 as auditors of the Bank for the years from December 31, 2021 to December 31, 2029.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Bank in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98**

The Directors of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. are responsible for the preparation of the report on operations and the information required by art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 included in the section related to the report on corporate governance and the ownership structure of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. as at December 31, 2024, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the section related to the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of some specific information contained in the section related to the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the section related to the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the information required by art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 contained in the section related to the report on corporate governance and the ownership structure are consistent with the financial statements of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. as at December 31, 2024.

In addition, in our opinion, the report on operations and the information required by art. 123-bis, paragraph 2 (b), of Legislative Decree 58/98 contained in the section related to the report on corporate governance and the ownership structure are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Enrico Gazzaniga
Partner

Milan, Italy
April 29, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Separate Financial Statements of Cassa Centrale Banca 2024 Financial Year

Balance Sheet

Balance Sheet – Assets

ASSETS		31/12/2024	31/12/2023
10.	Cash and cash equivalents	254,940,488	264,171,742
20.	Financial assets measured at fair value through profit or loss	266,852,224	317,040,842
	a) financial assets held for trading	73,891,081	78,626,635
	b) financial assets designated at fair value	184,535,015	184,206,935
	c) other financial assets mandatorily measured at fair value	8,426,128	54,207,272
30.	Financial assets measured at fair value through other comprehensive income	1,260,082,492	943,427,109
40.	Financial assets measured at amortised cost	9,864,760,699	16,320,273,888
	a) loans to banks	3,377,935,526	11,871,356,553
	b) loans to customers	6,486,825,173	4,448,917,335
50.	Hedging derivatives	983,915	-
60.	Fair value change of financial assets in hedged portfolios (+/-)	-	-
70.	Equity investments	248,298,119	255,647,077
80.	Tangible assets	51,275,855	25,835,216
90.	Intangible assets	91,937	136,640
	of which:		
	- goodwill	-	-
100.	Tax assets	25,581,472	35,961,649
	a) current	9,087,522	11,298,324
	b) deferred	16,493,950	24,663,325
110.	Non-current assets and groups of assets held for disposal	-	-
120.	Other assets	441,933,205	443,412,914
Total assets		12,414,800,406	18,605,907,077

Balance Sheet – Liabilities

LIABILITIES AND EQUITY		31/12/2024	31/12/2023
10.	Financial liabilities measured at amortised cost	10,434,831,280	16,513,450,688
	a) due to banks	6,836,835,714	13,146,935,241
	b) due to customers	2,769,868,654	2,639,279,427
	c) debt securities in issue	828,126,912	727,236,020
20.	Financial liabilities held for trading	69,507,472	77,855,870
30.	Financial liabilities designated at fair value	176,800,671	175,647,458
40.	Hedging derivatives	11,672,787	309,524
50.	Adjustment of the financial liabilities subject to macro-hedging (+/-)	-	-
60.	Tax liabilities	2,610,971	4,982,181
	a) current	882,143	4,646,123
	b) deferred	1,728,828	336,058
70.	Liabilities associated with assets held for disposal	-	-
80.	Other liabilities	472,378,407	619,656,045
90.	Provision for severance indemnity	897,057	1,065,314
100.	Provisions for risks and charges	25,016,889	25,594,631
	a) commitments and guarantees given	7,351,690	5,802,737
	b) post-employment benefits	-	-
	c) other provisions for risks and charges	17,665,199	19,791,894
110.	Valuation reserves	5,399,632	(6,108,030)
120.	Repayable shares	-	-
130.	Equity instruments	-	-
140.	Reserves	207,649,817	191,269,818
150.	Share premium	19,029,034	19,029,034
160.	Share Capital	952,031,808	952,031,808
170.	Own shares (-)	-	-
180.	Profit (loss) for the year (+/-)	36,974,581	31,122,736
Total liabilities and equity		12,414,800,406	18,605,907,077

Income Statement

ITEMS	31/12/2024	31/12/2023
10. Interest income and similar revenues	430,685,037	592,834,144
of which: interest income calculated with the effective interest method	419,158,499	586,824,572
20. Interest expenses and similar charges	(367,550,225)	(534,673,676)
30. Net interest income	63,134,812	58,160,468
40. Fees and commissions income	255,286,137	227,107,559
50. Fees and commissions expenses	(141,854,140)	(127,534,348)
60. Net fees and commissions	113,431,997	99,573,211
70. Dividend and similar income	44,350,324	39,148,049
80. Net result from trading	6,289,293	1,398,473
90. Net result from hedging	1,374,846	(22,255)
100. Profit (loss) from disposal/repurchase of:	(21,089,599)	3,712,300
a) financial assets measured at amortised cost	(21,208,997)	2,336,390
b) financial assets measured at fair value through other comprehensive income	119,398	1,375,910
c) financial liabilities	-	-
110. Net result on other financial assets and liabilities measured at fair value through profit or loss	(4,659,855)	(2,794,987)
a) financial assets and liabilities designated at fair value	(4,595,616)	(4,726,787)
b) other financial assets mandatorily measured at fair value	(64,239)	1,931,800
120. Net interest and other banking income	202,831,818	199,175,259
130. Net value adjustments/write-backs due to credit risk of:	7,836,889	18,571,957
a) financial assets measured at amortised cost	7,965,330	18,677,513
b) financial assets measured at fair value through other comprehensive income	(128,441)	(105,556)
140. Profit/loss from contractual changes without derecognitions	21,135	(21,371)
150. Net income from financial activities	210,689,842	217,725,845
160. Administrative expenses:	(270,051,778)	(222,378,232)
a) staff expenses	(81,630,757)	(71,535,126)
b) other administrative expenses	(188,421,021)	(150,843,106)
170. Net allocations to provisions for risks and expenses	(1,055,071)	1,242,483
a) commitments and guarantees given	(1,920,835)	370,295
b) other net allocations	865,764	872,188
180. Net value adjustments/write-backs to tangible assets	(4,213,675)	(3,152,334)
190. Net value adjustments/write-backs to intangible assets	(89,960)	(210,838)
200. Other operating expenses/income	101,434,153	41,407,702

ITEMS		31/12/2024	31/12/2023
210.	Operating costs	(173,976,331)	(183,091,218)
220.	Profit (loss) on equity investments	441,457	(4,975,731)
230.	Net result of fair value measurement of tangible and intangible assets	-	-
240.	Value adjustments to goodwill	-	-
250.	Profit (loss) from disposal of investments	62,489	5,850
260.	Profit (loss) before tax from current operating activities	37,217,457	29,664,745
270.	Income taxes for the year on current operating activities	(242,876)	1,457,991
280.	Profit (loss) after tax from current operating activities	36,974,581	31,122,736
290.	Profit (loss) after tax from discontinued operations	-	-
300.	Profit (loss) for the year	36,974,581	31,122,736

Statement of Comprehensive Income

ITEMS	31/12/2024	31/12/2023
10. Profit (loss) for the year	36,974,581	31,122,736
Other post-tax components of income without reversal to the income statement	1,564,943	3,234,469
20. Equities measured at fair value through other comprehensive income	1,568,881	3,371,672
30. Financial liabilities designated at fair value through profit or loss (changes in credit rating)	-	-
40. Hedging of equities measured at fair value through other comprehensive income	-	-
50. Tangible assets	-	-
60. Intangible assets	-	-
70. Defined benefit plans	(3,938)	(137,203)
80. Non-current assets and groups of assets held for disposal	-	-
90. Quota of reserves from the valuation of shareholdings measured with the equity method	-	-
Other post-tax components of income with reversal to the income statement	9,942,719	9,111,423
100. Hedging of foreign investments	-	-
110. Exchange rate differences	-	-
120. Cash flow hedging	-	-
130. Hedging instruments (undesignated elements)	-	-
140. Financial assets (other than equities) measured at fair value through other comprehensive income	9,942,719	9,111,423
150. Non-current assets and groups of assets held for disposal	-	-
160. Quota of reserves from the valuation of shareholdings measured with the equity method	-	-
170. Total other post-tax components of income	11,507,662	12,345,892
180. Comprehensive income (Item 10+170)	48,482,243	43,468,628

Statement of changes in equity as at 31/12/2024

	Balance as at 31/12/2023	Adjustment to opening balances	Balance as at 01/01/2024	Allocation of result from previous year		Changes during the year								Equity as at 31/12/2024	
				Reserves	Dividends and other allocations	Changes to reserves	Equity transactions						Comprehensive income for 2024		
							Issue of new shares	Purchase of own shares	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock Options			
Share capital:															
a) ordinary shares	944,231,808	X	944,231,808	-	X	X	-	-	X	X	X	X	X	944,231,808	
b) other shares	7,800,000	X	7,800,000	-	X	X	-	-	X	X	X	X	X	7,800,000	
Share premium	19,029,034	X	19,029,034	-	X	-	-	-	X	X	X	X	X	19,029,034	
Reserves:															
a) profit	191,251,534	-	191,251,534	16,568,859	X	(188,861)	-	-	-	X	X	X	X	207,631,532	
b) other	18,284	-	18,284	-	X	-	-	X	-	X	-	-	X	18,284	
Valuation reserves	(6,108,030)	-	(6,108,030)	X	X	-	X	X	X	X	X	X	11,507,662	5,399,632	
Equity instruments	-	X	-	X	X	X	X	X	X	-	X	X	X	-	
Own shares	-	X	-	X	X	X	-	-	X	X	X	X	X	-	
Profit (loss) for the year	31,122,736	-	31,122,736	(16,568,859)	(14,553,877)	X	X	X	X	X	X	X	36,974,581	36,974,581	
Equity	1,187,345,366	-	1,187,345,366	-	(14,553,877)	(188,861)	-	-	-	-	-	-	48,482,243	1,221,084,872	

Statement of changes in equity

as at 31/12/2023

	Balance as at 31/12/2022	Adjustment to opening balances	Balance as at 01/01/2023	Allocation of result from previous year		Changes during the year								Equity as at 31/12/2023	
				Reserves	Dividends and other allocations	Changes to reserves	Equity transactions						Comprehensive income for 2023		
							Issue of new shares	Purchase of own shares	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock Options			
Share capital:															
a) ordinary shares	944,231,808	X	944,231,808	-	X	X	-	-	X	X	X	X	X	944,231,808	
b) other shares	7,800,000	X	7,800,000	-	X	X	-	-	X	X	X	X	X	7,800,000	
Share premium	19,029,034	X	19,029,034	-	X	-	-	-	X	X	X	X	X	19,029,034	
Reserves:															
a) profit	171,032,903	-	171,032,903	20,195,616	X	23,015	-	-	-	X	X	X	X	191,251,534	
b) other	18,284	-	18,284	-	X	-	-	X	-	X	-	-	X	18,284	
Valuation reserves	(18,453,922)	-	(18,453,922)	X	X	-	X	X	X	X	X	X	12,345,892	(6,108,030)	
Equity instruments	-	X	-	X	X	X	X	X	X	-	X	X	X	-	
Own shares	-	X	-	X	X	X	-	-	X	X	X	X	X	-	
Profit (loss) for the year	44,660,411	-	44,660,411	(20,195,616)	(24,464,795)	X	X	X	X	X	X	X	31,122,736	31,122,736	
Equity	1,168,318,518	-	1,168,318,518	-	(24,464,795)	23,015	-	-	-	-	-	-	43,468,628	1,187,345,366	

Cash Flow Statement

Indirect method

	Amount	
	31/12/2024	31/12/2023
A. OPERATING ACTIVITIES		
1. Operations	2,096,866	(4,720,627)
- income for the year (+/-)	36,974,581	31,122,736
- gains/losses on financial assets held for trading and other financial assets/liabilities measured at fair value through profit or loss (-/+)	2,703,337	4,196,442
- gains/losses on hedging activities (-/+)	(1,374,847)	22,255
- net value adjustments/write-backs due to credit risk (+/-)	(4,823,091)	(14,480,780)
- net value adjustments/write-backs to tangible and intangible assets (+/-)	4,303,635	3,363,172
- net allocations to provisions for risks and expenses and other costs/revenues (+/-)	1,055,071	(1,242,483)
- taxes, duties and tax credits not settled (+/-)	242,876	(1,457,991)
- net value adjustments/write-backs from discontinued operations net of tax (+/-)	-	-
- other adjustments (+/-)	(36,984,696)	(26,243,978)
2. Cash flows generated/used by the financial assets	6,227,925,689	5,132,608,426
- financial assets held for trading	6,022,919	30,453,071
- financial assets designated at fair value	2,526,992	(5,782,851)
- other financial assets mandatorily measured at fair value	45,873,903	39,951,977
- financial assets measured at fair value through other comprehensive income	(299,920,948)	90,255,113
- financial assets measured at amortised cost	6,462,546,851	4,949,218,778
- other assets	10,875,972	28,512,338
3. Cash flows generated/used by the financial liabilities	(6,274,548,296)	(5,149,745,493)
- financial liabilities measured at amortised cost	(6,115,214,508)	(5,030,481,797)
- financial liabilities held for trading	(8,348,398)	(31,150,096)
- financial liabilities designated at fair value	(5,785,319)	(2,082,578)
- other liabilities	(145,200,071)	(86,031,022)
Net cash flow generated/used by operating activities	(44,525,742)	(21,857,694)
B. INVESTMENT ACTIVITIES		
1. Cash flows generated by	67,054,758	38,333,394
- sales of equity investments	22,950,250	107,882
- dividends collected on equity investments	43,510,077	38,125,707
- sales of tangible assets	594,431	12,082
- sales of intangible assets	-	87,723
- sales of subsidiaries and business units	-	-

	Amount	
	31/12/2024	31/12/2023
2. Cash flows used by	(17,206,393)	(21,726,280)
- equity investment acquisitions	(15,160,000)	(18,241,715)
- tangible asset acquisitions	(2,001,137)	(3,383,574)
- intangible asset acquisitions	(45,256)	(100,991)
- purchases of business units	-	-
Net cash flow generated/used by investment activities	49,848,365	16,607,114
C. FUNDING ACTIVITIES		
- issues/purchases of own shares	-	-
- issues/purchases of equity instruments	-	-
- dividend distribution and other	(14,553,877)	(24,464,795)
Net cash flow generated/used by funding activities	(14,553,877)	(24,464,795)
NET CASH FLOWS GENERATED/USED DURING THE YEAR	(9,231,254)	(29,715,375)

KEY:

(+) generated

(-) absorbed

Reconciliation

ITEMS	Amount	
	31/12/2024	31/12/2023
Cash and cash equivalents at the beginning of the year	264,171,742	293,887,117
Total net cash flows generated/used during the year	(9,231,254)	(29,715,375)
Cash and cash equivalents: impact of exchange differences	-	-
Cash and cash equivalents at year-end	254,940,488	264,171,742

Separate Financial Statements of Cassa Centrale Banca

EXPLANATORY NOTES

PART A - Accounting policies

A.1 – General Section

Section 1 – Statement of compliance with international accounting standards

These Financial Statements were prepared in compliance with the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission according to the procedure as per Art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, in force at the reporting date of this document, including the interpretative documents of the International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC).

The Bank of Italy defines the formats and rules for the preparation of financial statements in Circular no. 262 of 22 December 2005, including subsequent updates. The eighth update, published on 17 November 2022, is in force.

In interpreting and applying the new international accounting standards, reference was also made to the “Framework for the Preparation and Presentation of Financial Statements” (known as “Conceptual Framework” or the “Framework”), issued by the IASB. In terms of interpretation, also considered were the documents on the application of IAS/IFRS in Italy, prepared by the Italian Accounting Body (OIC) and the Italian Banking Association (ABI).

In the absence of a standard or an interpretation specifically applicable to a particular transaction, the Bank uses the professional judgement of its departments in developing accounting recognition rules which make it possible to provide a reliable financial disclosure, necessary for guaranteeing that the Financial statements give a true and fair view of the Bank’s equity and financial position, reflecting the economic substance of the transaction as well as the relevant related aspects.

In formulating these accounting recognition rules, reference was made, as much as possible, to the provisions contained in the international accounting standards and the associated interpretations that address similar cases.

Section 2 – General preparation criteria

The financial statements include the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement, and these explanatory notes, together with the Director’s report on operations and the situation of the Bank.

In addition, IAS 1 “Presentation of financial statements”, requires the representation of a “statement of comprehensive income” also illustrating, among the other income components, the changes in the value of the assets recorded in the period as a contra-entry to equity. In line with the information contained in the aforementioned Bank of Italy Circular no. 262 of 2005 and subsequent updates, the Bank chose, as permitted by the accounting standard in question, to use two statements to provide the statement of comprehensive income: a first statement highlighting the traditional components of the income statement and the

relevant result for the year, and a second statement that, based on the latter, shows the other components of the statement of comprehensive income.

In accordance with the provisions of Article 5 of Italian Legislative Decree no. 38/2005, the financial statements are prepared using the euro as the accounting currency. These financial statements are drawn up in euros.

The accounts of the balance sheet and the income statement comprise items, sub-items and additional detailed information. Items not valued either in the current or the previous year are not reported.

In the income statement and the related Explanatory Notes, revenue is recorded without sign, while costs are indicated in brackets. In the statement of comprehensive income, the negative amounts are stated in brackets.

Furthermore, the complementary information deemed suitable to supplement the financial statements data was provided in the Explanatory Notes, including when not specifically required by the legislation.

The Balance Sheet and the Income Statement, as well as the statement of comprehensive income and the statement of changes in consolidated equity and the cash flow statements, are drawn up in euros, while the Explanatory Notes are expressed in thousands of euro unless indicated otherwise. Any differences found between the amounts in the Explanatory Notes and the Financial Statements are attributable to rounding up.

The Financial Statements as at 31 December 2024 have been prepared with clarity and give a true and fair view of the financial position, economic result for the year, changes in the Bank's equity and generated cash flows.

The financial statements as at 31 December 2024 are prepared on the basis of the going concern assumption of the Bank, as the directors reasonably expect that the Bank will continue operating in the foreseeable future. The situation of the financial markets and the real economy and the still uncertain forecasts made with reference to the short/medium-term require particularly precise valuations to be performed as regards the going concern assumption, since the results history of the Bank and its easy access to financial resources may not be sufficient in the current context. The directors believe that the risks and uncertainties to which the Bank may be subject in the flow of its operations are not significant and therefore do not cast doubt on the company's ability to continue as a growing concern, despite considering the current macroeconomic environment characterised by various factors, such as the trend in inflation, high interest rates, geopolitical risks, as well as related uncertainties affecting future developments.

Estimation processes are based on past experience as well as other factors considered reasonable in the circumstances, and aim to estimate the book value of assets and liabilities that are not readily apparent from other sources. In particular, estimation processes were adopted that support the book value of some of the most important valuation items posted in the accounts, according to reference regulations. These processes are mainly based on estimates of future recoverability of the values in the accounts and were carried out on a going concern basis.

The main cases for which subjective evaluations are required to be made by the Board of Directors include:

- the quantification of expected losses due to the reduction of loan values and, in general, of other financial assets;
- the determination of the fair value of financial instruments, with particular reference to financial assets not listed on active markets;
- the assessment of congruity in the value of goodwill, other intangible assets and equity investments;
- the measurement of personnel funds and provisions for risks and charges;
- the estimates and assumptions regarding recoverability of deferred tax assets.

The information provided on the accounting policies applied for the main aggregate values of the financial statements includes the necessary details for identifying the main assumptions and subjective evaluations made in preparing the financial statements. For further details on the breakdown and relative carrying amounts of the specific statement captions affected by said estimates, see the relevant sections of these Explanatory Notes. The processes adopted support the carrying amounts on the date of preparing these financial statements. The measurement process, as in the previous year, continues to be complex in consideration

of the persisting uncertainty of the macroeconomic and market environment, characterised both by the considerable volatility of the financial parameters that are decisive in the measurement and by a progressive stabilisation in interest rates and inflation. At present, no significant indicators of impairment in credit quality have yet been found. These parameters and the information used to check the mentioned values are significantly affected by these factors which are out of the Group's control and may undergo rapid and unforeseeable changes. For further details, see paragraph d) of the Section 4 - Other Aspects.

The financial statements also make reference to the general preparation criteria listed below, where applicable:

- principle of clarity, truth, fairness and completeness in the presentation of the balance sheet, income statement and cash flows (true and fair view);
- accrual principle;
- principle of consistent presentation and classification from one year to another (comparability);
- principle of prohibited offsetting of entries, except where expressly permitted;
- principle of prevalence of economic substance over legal form;
- principle of prudence in exercising the necessary judgement to make the estimates required in conditions of uncertainty so that the assets or revenues are not overestimated and the liabilities or costs are not underestimated, without this implying the creation of hidden reserves or excessive allocations;
- principle of neutral nature of information;
- principle of relevance/significance of the information.

Ultimately, with reference to the main implications related to the method of application of the international accounting standards (in particular IFRS 9) in the current macroeconomic environment characterised by geopolitical tensions, please refer to the specific paragraph "d) Risks, uncertainties, impacts and methods of application of the international accounting standards in the current environment" included in Section 4 – Other Aspects of this Part A.

The 2024 financial year was not characterised by any changes in the estimation criteria already applied for the preparation of the Financial Statements as at December 2023 except for what is shown in "Other Aspects" in paragraph d in relation to the measurement of loans to customers in the current macroeconomic environment.

Section 3 – Subsequent events

In relation to the provisions of IAS 10, in the period between the reference date of this document and its approval by the Board of Directors on 27 March 2025, no events occurred such as to entail a change in the data presented in the financial statements.

The accounting estimates as at 31 December 2024 were made on the basis of a series of macroeconomic and financial indicators expected at that date. Furthermore, no amending events occurred after the end of the year for which information must be provided.

Section 4 – Other aspects

a) IFRS accounting standards, amendments and interpretations applicable from 1 January 2024

The following IFRS accounting standards, amendments and interpretations were applied by the Bank for the first time from 1 January 2024:

- amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback to clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale;

- amendments to IAS 1 Presentation of Financial Statements: Non-current Liabilities with Covenants (Amendments to IAS 1) to clarify how the conditions that an undertaking must satisfy, within twelve months from the end of the financial year, influence the classification of a liability;
- amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current;
- amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements to add quantitative and qualitative disclosure obligations related to financing agreements with suppliers.

The above amendments did not have an impact on the Bank's financial position and economic results as at 31 December 2024.

b) Approved accounting standards that will enter into force after 31 December 2024

The accounting standards and accounting interpretations or amendments to existing accounting standards that will enter into force after 31 December 2024 are shown below:

- Amendments to IAS 21 "Lack of Exchangeability", clarifies when one currency cannot be converted into another, how to estimate the exchange rate, and the information to be provided in the explanatory notes.

The directors do not foresee that the adoption of the accounting standards and amendments cited above will have a significant impact on the financial and economic position of the Bank.

c) Accounting standards still not endorsed which will enter into force in the next few years

The following amended accounting principles, instead, have not yet been endorsed by the European Commission:

- IFRS 18 "Presentation and Disclosure in Financial Statements", which will replace IAS 1, is aimed at providing investors with more transparent and comparable information about an entity's financial results, thus facilitating investment decisions;
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures", which makes it possible for the subsidiaries without public accountability that apply IFRS standards to provide reduced information in the financial statements;
- amendments to IFRS 7 and IFRS 9: "Amendments to the Classification and Measurement of Financial Instruments", which mainly concern the rules on settling financial liabilities using an electronic payment system. Again with reference to the amendments to IFRS 7 and IFRS 9: "Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7", which seek to support entities in reporting the financial effects of purchase contracts of electricity produced from renewable sources (often structured as Power Purchase Agreements);
- "Annual Improvements Volume 11": the document includes clarifications, simplifications, corrections and changes intended to improve consistency among various IFRS Accounting Standards. The amended standards are IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and the related implementing guidelines for IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The directors do not foresee that the adoption of the accounting standards and amendments cited above will have a significant impact on the financial and economic position of the Bank.

d) Risks, uncertainties, impacts and methods of application of the international accounting standards in the current macroeconomic environment

With reference to the guidance and guidelines issued by European regulatory and supervisory bodies, as well as by standard setters, one of the most recent relevant publications is the public statement issued by the ESMA on 24 October 2024 entitled "European common enforcement priorities for 2024 corporate reporting", which reiterates the importance of climate-related

matters, a factor also present in previous publications, and provides recommendations on certain aspects related to sustainability reporting. In particular, the ESMA underlines the importance of consistency and connection between the information related to climate risks and opportunities provided in financial statements and the information included in the aforesaid sustainability reporting.

In 2024, aspects of uncertainty lingered due to the continuation of geopolitical tensions. In the presence of these conditions of instability, the interest rates intended to contain inflation remained in restrictive territory, despite the 25-basis-point cuts by the European Central Bank during the year. The restrictive policies enacted by the European Central Bank, with the primary aim of bringing inflation back down to the 2% target, partly influenced growth in the Eurozone and Italy, with possible direct and indirect impacts on credit risk in the context of debt service, for businesses and households.

In the final quarter of 2024, these conditions were joined by another element of complexity linked to the prospect of a sharp reduction in European automotive sector sales, associated with growing competition in the context of the planned phase-out of combustion car engines in new vehicles from 2035.

In particular, given the present elements of uncertainty, the risk measurement system is particularly complex and characterised by the uncertainties reflected in the markets. Despite inflation being on track for the target defined by the Central Bank, further uncertainties remain attributable to the volatility of energy prices and real growth prospects, influenced by the national and European economic framework as well as monetary policy transmission mechanisms. Furthermore, sectors linked to real estate find themselves in a context of prospective uncertainty given the substantial end of recent extraordinary government incentives, including tax credit management, which will see a return to a more ordinary framework of support.

In this context, the Bank implemented a conservative risk management policy, continuing to adopt strengthened measures and processes, as in the previous two years.

The Bank continued to pay particular attention to the onset of potential critical concerns and new vulnerabilities in the context of credit risk, thus launching important activities intended, on the one hand, to identify any direct impacts on the risk factors associated with the exposures and, on the other, to incorporate macroeconomic expectations and the identification of new sector-level vulnerabilities, thanks to the introduction of a new IFRS 9 impairment model and its underlying rating system.

In line with the last update of the previous model, the new IFRS 9 model also sets out several ESG-related parameters, such as the analysis of the materiality of climate and environmental risks developed over the first half of 2024, as well as the effect of physical and transition risks on the recovery process (loss given default, LGD).

After remaining substantially stagnant throughout 2023, economic activities in the Eurozone experienced macroeconomic growth in 2024. Indeed the ECB published its usual economic bulletin in December 2024, outlining a less optimistic GDP growth forecast than the one formulated in September. The 2025-2027 three-year period shows an economic growth trend of +1.1%, +1.4% and +1.3% respectively, closing financial year 2024 at +0.7%. The prospect of possible short-term weaknesses is attributable to the manufacturing sector and the services sector, which show substantial weakness at the SME level. In the long term, however, these sectors may well see an opposite trend, given the possible recovery in household consumption and the strengthening of overseas demand.

Similar trends can be seen across the Italian macroeconomic context. In particular, in December 2024, the Bank of Italy published the GDP forecasts for Italy, which indicated a growth trend of +0.8%, +1.1% and +0.9% respectively for the 2025-2027 three-year period.

In terms of preparing the financial statement disclosures as at 31 December 2024, the Bank continued to adopt the guidelines and recommendations issued by the European regulatory and Supervisory Authorities, as well as by the standard setters, while taking into account the assessments of the significant business activities and the residual support measures put in place by the Government to support households and businesses.

Lastly, the management of the Bank placed, as usual, special attention on the causes of uncertainty inherent in the estimates that are part of the quantification process of certain items relating to the financial statement assets and liabilities. Due to the effects

of the evolution of the current macroeconomic environment arising from international tensions, the main areas of uncertainty in estimates include those relating to credit losses, the fair value of financial instruments, income taxes and the recoverability of deferred tax assets, goodwill and other intangible assets.

The main areas of the financial statements most affected by the effects of the current macroeconomic environment and the related accounting decisions made by the Bank and the Cassa Centrale Group as at 31 December 2024 are shown below.

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

In order to calculate the expected loss at 31 December 2024, the Bank incorporated macroeconomic scenarios into its IFRS 9 impairment model, in line with the provisions of the standard. These scenarios include the effects of the continuation of geopolitical crises, along with uncertainty around European Central Bank monetary policy. These aspects have significant impacts on growth forecasts, the main macroeconomic variables and financial indicators for 2025-2027, compared to previous forecasts.

For the calculation of IFRS9 value adjustments on the customer-loan portfolio as at 31 December 2024, the Bank adopted new IFRS9 models, introduced during the last quarter of 2024, which enable improved assessment of credit exposures, aligned with market best practices and expectations of the Supervisory Authority. These models, in addition to being based on new methodologies, involve the following components: i) an estimation process based on the new definition of default (Art. 178 of CRR), ii) segmentation of customers in line with the process for granting and monitoring credit, iii) new counterparty rating systems (including an acceptance rating model), iv) a more complete level of diversification based both on characteristics of the counterparty and the type of exposure.

The interventions outlined were finalised using a conservative approach, in accordance with the IAS/IFRS accounting standards and in line with the macroeconomic and financial framework that emerged in 2024, described in the previous section. In this context of uncertainty, the Bank deemed it appropriate to incorporate the potential impacts of the aforementioned events – which would suggest a possible increase in insolvency rates – into its credit evaluations. The residual support measures introduced by the State, such as those relating to the granting of state guarantees, required a high degree of attention to the credit management and monitoring mechanism, in order to promptly intercept possible effects of deterioration of counterparties that still remain unclear.

These uncertainties resulted in the identification of some areas of intervention considered worthy of further incisive actions to increase coverage, in line with the strict requirements envisaged by the Group policies and with the recommendations of the Supervisory Authority.

In this context and, as reported in further detail in the previous section, taking into account the introduction of the new measurement models mentioned above such as the IFRS 9 models and rating systems, in the final quarter of 2024 the Bank revalued and maintained the existing system of minimum provisioning at the geo-sectoral level. This system had previously been introduced in 2022 on the performing positions considered more risky since they fell into the economic sectors most vulnerable to the indirect effects of the Russia/Ukraine conflict (so-called “energy-intensive/gas-intensive sectors”). Furthermore, in order to prevent negative impacts on credit risk associated with the increase in interest rates on exposure to variable rate mortgage loans in stage 2, the Bank continued to use the system of additional provisioning introduced for the first time in 2023.

Against the backdrop of this conservative approach, in the fourth quarter of 2024 the Bank introduced specific overlays to address possible vulnerabilities associated with the macroeconomic and geopolitical environment of reference. The first overlay, a sector overlay, sees an increase in the expected losses for counterparties in the construction, real estate and automotive sectors. These increases are attributable, respectively, to the substantial depletion of extraordinary support given by the State and the revision of tax credit legislation, as well as prospects for possible crises in the Italian and European automotive sector. The second overlay, this one general, is introduced as an element that takes into account the volatility of the measurement system (so-called “model risk” and similar to category C MOCs of advanced models) in the context of adopting a new model (IFRS 9 rating system and model) and given the subsequent back-testing and possible refinements thereto.

A further area of intervention concerned positions in Stage 3 defined as sub-threshold, in accordance with the “Group Credit Classification Policy”, i.e. with an exposure of less than EUR 100 thousand and for which there is no analytical recovery plan.

Following the introduction of a new LGD model specifically for in default positions, the previous minimum coverage on these positions was removed.

For the purposes of calculating the expected loss as at 31 December 2024, the Bank has used four scenarios (mild, baseline, plausibly adverse and severely adverse), appropriately averaging their contributions, in accordance with the assessment of macroeconomic projections that expect continued high variability in the future. The scenarios used were those provided by the info-provider Prometeia, as were their probabilities, in accordance with a scenario generation system that considers publications from leading forecasting bodies, as well as publications issued by the Supervisory Authorities, with no corrections. The historical series used to calibrate all parameters of the IFRS9 model (PD, LGD, EAD and SICR) were updated to the most recent series available as at 30 June 2024. Despite the confirmed growth trend for the 2024-2026 three-year period, the update of the macroeconomic scenarios continues to impact negatively on the short-term forecasts of the Bank's risk factors, albeit less severely compared to projections previously used in the recent past.

We note that in the final quarter of 2023, the macroeconomic models (so-called "PD satellite models") were also replaced, aimed at transferring the macroeconomic forecasts into the Bank's primary risk factors and into the staging allocation, with a new version that was more methodologically advanced. This update is consistent with the framework of the EBA stress test, based on more up-to-date data, which takes account of a geo-sectoral diversification.

In the final quarter of 2024, in the face of substantial replacement of measurement systems (IFRS 9 rating and models), the corrective measures on PD and LGD parameters were further refined, with the intention to incorporate into the model and, therefore, influence the provisions relating to loans to customers, the initial impacts related to climate and environmental risks and, in a more extensive approach, the main ESG factors. In this context, therefore, the Bank incorporated the potential prospective long-term (2050) effects arising from climate-related and environmental risks associated with credit risk in the most impacted economic sectors into the expected loss calculation.

In order to reflect the uncertainty in the outlook for certain segments of the economy and in line with ECB regulations, the new models introduced make it possible to differentiate the PD curves at the geo-sectoral level, including through the use of the Bank's same satellite models and by including the specific scenario projections. This all has an effect on the stage allocation and the calculation of expected losses in several economic sectors and geographic areas measured as most at risk.

Access to support measures was treated from a particularly conservative approach: in particular, for government guarantees given as part of newly originated loans or existing exposures, a specific LGD has been consistently factored into the expected loss calculation that also reflects the collection capacity of the same guarantees, determining a specific calibration of the LGD linked to State-secured loans.

Where the sectors deemed particularly at risk are concerned, the stage classification process of the performing portfolio continued to manifest the effects of the prudential backstop of 300% of the SICR, such as the maximum threshold of variation between lifetime PD at the reporting date and that defined at the origination date on each relationship.

With reference to the current approach and the staging allocation criteria, a suitable and appropriate criteria was identified for collective stage 2 classification was identified to integrate the individual SICR approach. In this way, homogeneous clusters of credit exposures were determined in terms of geographic area, economic activity, and counterparty rating, which, given the risk level, are classified as stage 2 with a forward-looking approach. In this context, the low-credit risk exemption criteria (LCRE, as an exemption of the SICR) was reviewed in the first half of 2024, using an assessment purely based on the twelve-month PDs envisaged by IFRS 9.

Furthermore, with reference to the EAD parameter, for the purposes of determining the expected loss lifetime and the staging allocation, in the absence of a contractual maturity, on the basis of the provisions of the CRR - Capital Requirements Regulation on maturity of AIRB (Advanced Internal Rating Based) models, a behavioural maturity is assigned estimated using internal data, instead of the 12 months defined previously.

The interventions outlined above, guided primarily by a conservative approach, in accordance with the IAS/IFRS accounting standards, and in any case improved and finalised during previous years, made it possible to limit potential future "cliff effects"

as well as identify the economic sectors at greatest risk in the current environment. At the same time, this also ensured the reduction of potentially distorted elements in the estimates.

Measurement of securities at fair value

The Bank's securities portfolio at fair value mainly consists of listed government securities with fair value level 1.

The remaining investments in unlisted non-controlling interests and recognised in the portfolio of financial assets measured at fair value through other comprehensive income, exceeding certain thresholds, provided for by the Group's "Fair Value Policy" were measured as at 31 December 2024. Considering that, for these securities, the prevailing valuation methods are those of the market (market approach), it is believed that they incorporate the current market context. In this regard, in order to reflect the turbulence seen on the financial markets it was deemed appropriate to adopt a limited observation horizon of the market capitalisations of comparable listed companies. Specifically, reference was made to the precise observations as at the date the parameters were updated and, limited to the application of the regression methodology, also to the average of the six-month observations.

e) Disclosure regarding Targeted Longer-Term Refinancing Operations (TLTRO III)

At the date of the separate financial statements, the Bank had outstanding refinancing operations through the Eurosystem forming part of the TLTRO-III programme, since they reached maturity in 2024. The outstanding transactions at the beginning of the year resulted in a negative contribution to interest margin of about EUR 87 million as at 31 December 2024.

f) Statutory Audits

The financial statements are audited by Deloitte & Touche S.p.A., pursuant to the resolution of the Shareholders' Meeting of 16 June 2021, which appointed Deloitte & Touche S.p.A. to audit the financial statements for the 2021-2029 period.

g) Information pursuant to Annex A of First Part, Title III, Chapter 2 of Bank of Italy Circular no. 285 of 17 December 2013

Government grants received

Article 35 of Decree Law no. 34/2019 ("Growth" Decree), converted by Law no. 58/2019, reformulated the rules on transparency of public funds contained in article 1, paragraphs 125-129 of Law no. 124/2017. The reformulation focused on the obligations of transparency for information related to subsidies, benefits, grants or aid, in cash or in kind, that are "not general in nature and unrelated to consideration, remuneration or compensation", effectively disbursed by public administrations, as well as by the parties set out under article 2-bis of Legislative Decree no. 33/2013.

In light of this reformulation, further clarifications on interpretation published with Assonime circular no. 32 of 23 December 2019 confirmed that the obligation of transparency refers to the granting of economic benefits arising from a bilateral agreement between a public party and a specific beneficiary. The sums received by the undertaking as consideration for a service provided or as remuneration for an appointment received or due for compensatory purposes are expressly excluded. The economic benefits received in application of a general regime are also excluded, such as tax benefits or grants accessible to all parties that meet certain conditions.

Considering the above, there were no cases of note involving the Bank in financial year 2024.

h) Tax consolidation option

The "Consolidated Law on Income Tax (TUIR)" provides for the possibility, for companies belonging to the same group, to determine a single overall global income – or a single reportable tax loss – corresponding, in principle, to the algebraic sum of

the taxable incomes or tax losses of the individual participant companies (i.e. parent company and companies directly and/or indirectly controlled to an extent greater than 50% according to certain requirements) and, as a result, to determine a single tax debt/credit (so-called national tax consolidation, governed by articles 117-129 of the TUIR).

By virtue of this option, the Parent Company and the subsidiaries Allitude S.p.A., Assicura Agenzia S.r.l., Assicura Broker S.r.l., Centrale Soluzioni Immobiliari S.r.l., Claris Leasing S.p.A., Claris Rent S.p.A. and Prestipay S.p.A., which joined the national tax consolidation exercising within the terms of the law the related option for the 2023-2025 three-year period, determined their tax burden and the corresponding taxable income was transferred to the Parent Company.

A.2 – Part relating to the main items in the accounts

The accounting standards adopted for the preparation of these Separate financial statements are shown below.

1 – Financial assets measured at fair value through profit or loss

Classification criteria

Financial assets measured at fair value through profit or loss include:

- financial assets which, according to the business model of the Bank, are held for trading purposes, i.e. debt and equities and the positive value of derivative contracts held for trading purposes. These assets are included under asset item 20. Financial assets measured at fair value through profit or loss, sub-item “a) financial assets held for trading”;
- the financial assets designated at fair value at the moment of initial recognition where the conditions are satisfied (that happens if, and only if, on designation at fair value an accounting asymmetry is eliminated or significantly reduced). These assets are included under asset item 20. Financial assets measured at fair value through profit or loss, sub-item “b) financial assets designated at fair value”;
- the financial assets that do not pass the so-called SPPI Test (financial assets whose contractual terms do not make exclusive provision for the repayments of principal and interest payments on the amount of principal to be repaid) or that in any case, are obligatorily measured at fair value. These assets are included under asset item 20. Financial assets measured at fair value through profit or loss, sub-item “c) other financial assets mandatorily measured at fair value”.

Therefore, the Bank recognises the following in this item:

- debt securities and loans included in an Other business model (not attributable to Hold to Collect or Hold to Collect and Sell business models) or that do not pass the SPPI Test (including therein UCITS units);
- equity instruments, excluded from those addressed by IFRS 10 and IAS 27 (controlling interests, associates or joint ventures), not measured at fair value through other comprehensive income. In fact, IFRS 9 provides for the possibility of exercising, at the time of initial recognition, the irreversible option (so-called OCI option) to recognise an equity instrument at fair value through other comprehensive income.

This item also includes derivative contracts held for trading that have a positive fair value. The offsetting between the positive and negative present values deriving from transactions with the same counterparty is only possible if there is a legal right to offset the amounts recognised in the accounts and if there is an intention to settle on a net basis the items subject to offsetting.

The reclassification of a financial asset to a different accounting category is permitted only in the event of a change in the business model. Exceptions to this rule are equities for which no reclassification is permitted. More specifically, changes in business model - which in any case should very rarely happen - must be decided by senior management as a result of external or internal changes, must be relevant to the Bank's operations and must be demonstrable to external parties. A change in business model could, for example, occur in the case of the acquisition, termination or divestment of a business line or branch of business. In the rare cases of changes to the business model, financial assets measured at fair value through profit or loss may be reclassified to financial assets measured at amortised cost or to financial assets measured at fair value through other comprehensive income.

The reclassification is applied prospectively from the date of reclassification, which, in fact, coincides with the first day of the accounting period following the change in business model that led to the reclassification of the financial assets.

In the event of reclassification from this category to the amortised cost category, the fair value at the date of reclassification represents the new gross carrying amount on the basis of which the effective interest rate is determined.

If, on the other hand, the category in question is reclassified to the category of financial assets measured at fair value through other comprehensive income, the fair value at the date of reclassification is the new gross carrying amount and the effective interest rate is determined on the basis of this value at the date of reclassification. In addition, for the purposes of applying the provisions on write-downs from the date of reclassification, the latter is considered to be the date of initial recognition.

Recognition criteria

The initial recognition of financial assets takes place at the settlement date if settled with the time intervals set by market practices (regular way), otherwise at the trade date. In the case of recognising the financial assets at the settlement date, the profits and losses recorded between the trade date and the settlement date are recognised in the Income Statement. Upon initial recognition the financial assets held for trading are recorded at the fair value; unless otherwise indicated, this is represented by the amount paid for executing the transaction, without considering the costs or income referring to it and attributable to the same instrument, which are recorded directly in the Income Statement.

Measurement criteria

Following initial recognition, the financial assets measured at fair value through profit or loss are measured at fair value with recognition of the related changes in the income statement. If the fair value of a financial asset becomes negative, this entry is booked as a financial liability. The change in the fair value of derivative contracts with “customers” counterparties takes their credit risk into account.

To calculate the fair value of the financial instruments listed in an active market, the market listings are used. In the absence of an active market, commonly adopted estimation methodologies are used to factor in all relevant risk factors related to the instruments.

For further details on how fair value is determined, please refer to paragraph “A.4 - Information on fair value” of this part A.

Derecognition criteria

The financial assets measured at fair value through profit or loss are derecognised when the contractual rights on the cash flows deriving from the same expire or when the financial asset is sold substantially transferring all the associated risks and rewards.

When it is not possible to ascertain the substantial transfer of the risks and rewards, the financial assets are derecognised from the financial statements unless control of said assets has been maintained. Conversely, if control is maintained, even only partial, it is necessary to retain the assets in the financial statements to the extent of the continuing involvement, measured by the exposure to changes in value of the assets transferred and the changes in their cash flows.

The securities delivered as part of a transaction which contractually envisages their repurchase are not derecognised from the financial statements.

Criteria for the recognition of the income components

The positive income components represented by the interest income on securities and relating similar income, as well as the differentials and margins accrued until the date of the financial statements relating to the derivative contracts classified to the item, but managerially connected to the assets or liabilities measured at fair value (so-called fair value option), are entered in the income statement items relating to interest on an accrual basis. The profits and losses from the disposal or repayment and the profits and losses not realised deriving from the changes in the fair value of the trading book are classified in the Income Statement under item 80. Net result from trading for instruments held for trading and in item 110. Net result of other financial assets and liabilities measured at fair value through profit or loss for instruments obligatorily measured at fair value and for instruments measured at fair value.

2 - Financial assets measured at fair value through other comprehensive income

Classification criteria

The financial assets recorded under this item include:

- debt securities, loans and receivables for which:
 - the business model associated to financial assets aims at collecting both the cash flows envisaged contractually and the flows deriving from sale (hold-to-collect-and-sell business model);
 - the SPPI Test is passed as the contractual terms only provide for repayments of principal and interest payments on the amount of principal to be repaid.
- equities for which the so-called OCI option has been exercised as an irrevocable choice to present subsequent changes in the fair value of these instruments in other components of the comprehensive income statement. In this respect, it should be noted that the exercise of the so-called OCI option:
 - shall be made at the time of initial recognition of the instrument;
 - must be carried out at the level of the individual financial instrument;
 - is irrevocable;
 - is not applicable to instruments that are held for trading or represent contingent consideration recognised by a purchaser in a business combination to which IFRS 3 applies.

The reclassification of a financial asset to a different accounting category is permitted only in the event of a change in the business model. Exceptions to this rule are equities for which no reclassification is permitted. More specifically, changes in business model - which in any case should very rarely happen - must be decided by senior management as a result of external or internal changes, must be relevant to the Bank's operations and must be demonstrable to external parties. A change in business model could, for example, occur in the case of the acquisition, termination or divestment of a business line or branch of business. In the rare cases of changes to the business model, financial assets measured at fair value through other comprehensive income may be reclassified to financial assets measured at amortised cost or to financial assets measured at fair value through profit or loss.

The reclassification is applied prospectively from the date of reclassification, which, in fact, coincides with the first day of the accounting period following the change in business model that led to the reclassification of the financial assets.

In the event of reclassification from this category to the amortised cost category, the fair value at the date of reclassification becomes the new gross value for the purposes of amortised cost. The cumulated profits and losses recorded in the OCI reserve are eliminated from equity and adjusted for the fair value of the financial assets at the date of reclassification. Consequently, the financial asset is valued at the date of reclassification as if it had always been measured at amortised cost. The effective interest rate and the valuation of expected losses are not restated following the reclassification.

If, on the other hand, this category is reclassified to the category of financial assets measured at fair value through profit or loss, the fair value at the date of reclassification becomes the new gross Book value. The cumulated profits and losses recognised in the OCI reserve are reclassified to the income statement at the date of reclassification.

Recognition criteria

The initial recognition of financial assets takes place at the settlement date if settled with the time intervals set by market practices (regular way), otherwise at the trade date. In the event of recognising financial assets at the settlement date, the profits and losses recorded between the trade date and the settlement date are recognised in the equity. Upon initial recognition, the

financial assets are recognised at fair value; it is represented, unless otherwise indicated, by the amount paid for executing the transaction, including the transaction costs or income directly attributable to the same instrument.

Measurement criteria

Following initial recognition, the debt securities, loans and receivables classified in this item continue to be measured at fair value. For the aforementioned financial assets the following are recognised:

- in the income statement, the interest calculated with the effective interest rate method, which considers the depreciation of both the transaction costs and the differential between the cost and the repayment value;
- in equity, in a specific reserve, changes in fair value (net of tax) until the asset is derecognised. When the instrument is fully or partially disposed, the cumulated profit or loss in the OCI reserve are booked to the Income Statement (so-called "recycling").

Equities classified under this item also continue to be measured at fair value after initial recognition. In this case, however, unlike in the case of debt securities, loans and receivables, the cumulated profit or loss included in the OCI reserve must never be reversed to the income statement (in this case there will be no recycling). In fact, in case of transfer, the OCI reserve may be transferred to a specific available equity reserve. For these equities, only the component relating to dividends received is recorded in the income statement.

For further details on how fair value is determined for financial assets, please refer to paragraph "A.4 - Information on fair value" of this part A.

It should also be noted that "Financial assets measured at fair value through other comprehensive income", both in the form of debt securities, loans and receivables, are subject to impairment in accordance with IFRS 9 in the same way as "Financial assets measured at amortised cost". Therefore, for the aforementioned instruments, a value adjustment to cover expected losses will be recognised in the Income Statement. The estimate of the expected loss using the expected credit loss ("ECL") method is based on the allocation of each position to the three reference stages as explained in more detail in the paragraph "Impairment of financial assets".

The equity instruments are not subject to the impairment process.

Derecognition criteria

The financial assets measured at fair value through other comprehensive income are derecognised when the contractual rights on the cash flows deriving from the same expire or when the financial asset is sold substantially transferring all the associated risks and rewards.

When it is not possible to ascertain the substantial transfer of the risks and rewards, the financial assets are derecognised from the financial statements unless control of said assets has been maintained. Conversely, if control is maintained, even only partial, it is necessary to retain the assets in the financial statements to the extent of the continuing involvement, measured by the exposure to changes in value of the assets transferred and the changes in their cash flows.

The securities delivered as part of a transaction which contractually envisages their repurchase are not derecognised from the financial statements.

Criteria for the recognition of the income components

Interest income on debt securities, loans and receivables - calculated on the basis of the effective interest rate - is recognised in the Income Statement on an accruals basis. For these instruments, the effects of impairment and any changes in exchange rates are also recognised in the Income Statement, while other gains or losses deriving from changes in fair value are recognised in a

specific equity reserve. At the moment of full or partial disposal, the cumulated profit or loss in the valuation reserve are reversed, wholly or partly to the Income Statement (recycling).

With reference to equity instruments, the only component that is recognised in the Income Statement is dividends. The latter are recognised in the income statement only when (par. 5.7.1A of IFRS 9):

- the right of the entity to receive the dividend payment arises;
- it is likely that the economic benefits from the dividend will flow to the entity;
- the amount of the dividend may be reliably estimated.

Normally the aforementioned conditions occur at the time of collection of the dividend following the shareholders' resolution approving the financial statements and distribution of the result for the year by the investee company.

In the case of equities, changes in fair value are recognised as a contra-entry to equity and must not be subsequently transferred to the Income Statement even if they are realised ("no recycling").

3 - Financial assets measured at amortised cost

Classification criteria

Financial assets measured at amortised cost include debt securities, loans and receivables that jointly meet the following conditions:

- the business model associated to financial assets aims at collecting the cash flows envisaged contractually ("Hold To Collect" business model);
- the SPPI Test is passed as the contractual terms only provide for repayments of principal and interest payments on the amount of principal to be repaid.

Therefore, in the presence of the aforementioned conditions, the Bank recognises in this item:

- loans to banks (current accounts, security deposits, debt securities, etc.). This includes operating receivables related to the provision of financial activities and services as defined by the TUB and the TUF (e.g. distribution of financial products). Also included are loans to Central Banks (e.g. compulsory reserve), other than deposits on demand included in item 10. Cash and cash equivalents";
- loans to customers (mortgages, finance lease transactions, factoring transactions, debt securities, etc.). Also included are loans to post offices and the Cassa Depositi e Prestiti, variation margins with compensation bodies for transactions on derivative contracts and operating receivables related to the provision of financial activities and services as defined by the TUB and the TUF (e.g. servicing activities).

The reclassification of a financial asset to a different accounting category is permitted only in the event of a change in the business model. Exceptions to this rule are equities for which no reclassification is permitted. More specifically, changes in business model - which in any case should very rarely happen - must be decided by senior management as a result of external or internal changes, must be relevant to the Bank's operations and must be demonstrable to external parties. A change in business model could, for example, occur in the case of the acquisition, termination or divestment of a business line or branch of business. In the rare cases of changes to the business model, financial assets measured at amortised cost may be reclassified to financial assets measured at fair value through other comprehensive income or to financial assets measured at fair value through profit or loss.

The reclassification is applied prospectively from the date of reclassification, which, in fact, coincides with the first day of the accounting period following the change in business model that led to the reclassification of the financial assets.

In the event of reclassification from this category to the fair value category through other comprehensive income, any differences between the previous amortised cost and the fair value at the date of reclassification are recognised in the OCI reserve. The effective interest rate and the valuation of expected losses are not restated following the reclassification.

If, on the other hand, the category in question is reclassified to the category of financial assets measured at fair value through profit or loss, any difference between the previous amortised cost and the fair value at the date of reclassification is recognised in the Income Statement.

Recognition criteria

Financial assets are first recognised on the disbursement date (in the case of loans or receivables) or on the settlement date (in the case of debt securities) based on the fair value of the financial instrument. The fair value is normally equal to the amount disbursed or the subscription price, including income and charges directly attributable to the individual instrument and determinable from the origin of the transaction, even when liquidated at a subsequent time. Excluded are the costs that, though having the above mentioned characteristics, are subject to repayment by the debtor counterparty or can be classified among the normal internal costs of an administrative nature.

In the case of assets for which the net amount of the loan disbursed or the price paid on subscription of the security does not correspond to the fair value of the asset, for example due to the application of an interest rate significantly lower than the market rate, initial recognition is made on the basis of the fair value determined using valuation techniques (e.g. discounting future cash flows at an appropriate market rate).

In some cases, the financial asset is considered impaired upon initial recognition (so-called “purchased or originated credit-impaired financial assets”), for example because the credit risk is very high and, in the case of acquisition, it is acquired with large discounts. In such cases, at the time of initial recognition, an adjusted effective interest rate is calculated for the receivable which includes, in the cash flow estimates, the expected losses calculated over the life of the receivable. The above rate will be used for the application of the amortised cost criterion and the related calculation of interest to be recognised in the Income Statement.

Measurement criteria

After initial recognition, financial assets are measured at amortised cost using the effective interest rate method. Amortised cost is the amount at which the financial asset is measured on initial recognition less repayments of principal, plus or minus the cumulative amortisation, according to the effective interest criterion, of any difference between that initial amount and the amount at maturity and, for financial assets, adjusted for any provision to cover losses. The effective interest rate is identified by calculating the rate that equals the current value of the future flows of the asset, for principal and interest, to the disbursed amount including the costs/income attributable to said financial asset.

The exceptions to the application of the amortised cost method concern short-term assets, assets that do not have a defined maturity date and receivables subject to revocation. For the above cases, the application of the amortised cost criterion is considered not significant and the valuation is maintained at cost.

It should also be noted that financial assets measured at amortised cost, both in the form of debt securities and loans and receivables, are subject to impairment in accordance with IFRS 9. Therefore, for the aforementioned instruments, a value adjustment to cover expected losses will be recognised in the Income Statement. The estimate of the expected loss using the expected credit loss (“ECL”) method is based on the allocation of each position to the three reference stages as explained in more detail in the paragraph “Impairment of financial assets”.

In such cases, for the purpose of calculating amortised cost, the entity is required to include in its cash flow estimates, the expected losses on initial receivables when calculating the credit-adjusted effective interest rate for financial assets that are considered purchased or originated credit-impaired financial assets on initial recognition (IFRS 9 para. B5.4.7).

Derecognition criteria

The financial assets measured at amortised cost are derecognised when the contractual rights on the cash flows deriving from the same expire or when the financial asset is sold by substantially transferring all the risks and rewards connected to it.

When it is not possible to ascertain the substantial transfer of the risks and rewards, the financial assets are derecognised from the financial statements unless control of said assets has been maintained. Conversely, if control is maintained, even only partial, it is necessary to retain the assets in the financial statements to the extent of the continuing involvement, measured by the exposure to changes in value of the assets transferred and the changes in their cash flows.

The securities delivered as part of a transaction which contractually envisages their repurchase are not derecognised from the financial statements.

If the contractual cash flows of a financial asset are subject to renegotiation or, in any case, to an amendment, in accordance with IFRS 9, it is necessary to assess whether or not these amendments have the characteristics to determine the derecognition of the financial asset. More specifically, contractual changes lead to the derecognition of the financial asset and the recognition of a new one when they are considered substantial. In order to assess the substantiality of the change, a qualitative analysis of the reasons why the changes were made is necessary. In regards to this, we wish to distinguish between:

- renegotiations made for commercial purposes with performing customers for reasons other than the economic and financial difficulties of the debtor. These refer to renegotiations which are granted at market conditions, in order to avoid losing customers in cases where they require the cost of the loan to be adjusted to the conditions applied by other banking institutions. These types of contractual changes are considered substantial as they are aimed at avoiding a decrease in future revenues that would occur if the customer decides to turn to another operator. They entail the recognition in the Income Statement of any differences between the Book value of the derecognised financial asset and the book value of the newly recognised asset;
- renegotiations due to financial difficulties of the counterparty: this scenario includes concessions made to counterparties in financial difficulty (forbearance measures) that aim to maximise the repayment of the original loan by the customer and thus avoid or contain any future losses, by granting contractual conditions that are potentially more favourable to the counterparty. In these cases, as a rule, the change is closely related to the debtor's inability to repay the cash flows originally established and, therefore, in the absence of other factors, this indicates that there was in substance no extinction of the original cash flows such as to lead to the derecognition of the asset. As a result, the aforementioned renegotiations or contractual amendments qualify as non-substantial. Therefore, they do not generate the derecognition of the financial asset and, according to paragraph 5.4.3 of IFRS 9, involve the recognition in the income statement of the difference between the pre-amendment book value and the value of the financial asset recalculated by discounting the renegotiated or modified cash flows at the original effective interest rate.

In order to assess the substantiality of the contractual amendment, in addition to understanding the reasons underlying the amendment itself, it is necessary to assess the possible presence of elements that alter the original nature of the contract because they introduce new elements of risk or have a significant impact on the original contractual flows of the asset so as to lead to its derecognition and the consequent recognition of a new financial asset. This includes, for example, the introduction of new contractual clauses which change the reference currency of the contract, which allow the credit to be converted/replaced into equity instruments of the debtor or which lead to the failure of the SPPI Test.

Criteria for the recognition of the income components

Interest on loans to banks and customers is classified under item "10. Interest income and similar revenues" and is recorded on an accrual basis, based on the effective interest rate, i.e. applying the latter to the gross book value of the financial asset, except for:

- Purchased or originated credit-impaired financial assets. As noted above, for these financial assets, the effective interest rate adjusted for the receivable at the amortised cost of the financial asset from initial recognition is applied;

- financial assets that are not purchased or originated credit-impaired financial assets but have become impaired financial assets in a second phase. For these financial assets, the effective interest rate is applied to the amortised cost of the financial asset in subsequent years.

If there is an improvement in the credit risk of the financial instrument, as a result of which the financial asset is no longer impaired, and the improvement can be objectively linked to an event occurring after the application of the requirements in point 2 of the above list, interest income shall be calculated in subsequent years by applying the effective interest rate to the gross book value.

It should be noted that the Bank applies the criterion referred to in point 2 of the above list only to impaired assets measured using a specific analytical method. Therefore, stage 3 financial assets valued on a flat-rate analytical basis, for which interest is calculated on the gross value of the exposure, are excluded.

Adjustments and write-backs are recorded at each reporting date in the Income Statement under item "130. Net value adjustments/write-backs due to credit risk". Profits and losses resulting from the sale of receivables are recorded in the income statement under item "100. Profit/loss from disposal/repurchase".

The positive income components represented by the interest income and similar revenues relating to securities are entered on an accrual basis, based on the effective interest rate, in the Income Statement items relating to interest.

Profit and loss relating to securities are recognised in the income statement under item "100. Profit/loss from disposal/repurchase" at the time the assets are sold.

Any impairment of securities is recognised in the Income Statement under item "130. Net value adjustments/write-backs due to credit risk". If the reasons that led to the evidence of the decline in value are removed, the write-back is included with recognition in the Income Statement in the same item.

4 - Hedging transactions

With regard to hedging transactions (hedge accounting), the Bank avails itself of the option, provided by the introduction of IFRS 9, to continue to apply IAS 39 in full with regard to both specific hedges and macro hedges.

Classification criteria

This item includes derivative contracts designated as effective hedging instruments. In this regard, hedging transactions are designed to neutralise any losses, that may be incurred on a specific item or group of items, linked to a specific risk should the aforementioned risk actually occur.

The types of hedging provided for by IAS 39 are:

- fair value hedging, aimed at hedging against the exposure to the change in fair value of a financial statement entry (asset or liability) attributable to a particular risk. The objective of macro fair value hedges is to reduce fluctuations in fair value, attributable to interest rate risk, by a monetary amount arising from a portfolio of financial assets or liabilities;
- cash flow hedge, aimed at hedging against the exposure to the change in future cash flows attributable to a particular risk related to a highly probable present or future financial statement entry;
- hedging instruments of a net investment in a foreign company for which the assets were or are managed in a non-euro country or currency.

Recognition criteria

The hedging derivative financial instruments are initially entered at fair value and classified in the balance sheet asset or liability item, depending on whether, as at the end of the reporting period, they show a positive or negative fair value.

The hedging transaction is attributable to a strategy predefined by risk management and must be consistent with the adopted risk management policies; it is designated as a hedge if there is formalised documentation of the relationship between the hedged instrument and the hedging instrument, including high initial and prospective effectiveness throughout its life-cycle.

The effectiveness of the hedge depends on the extent to which the changes in fair value of the hedged instrument or the related expected cash flows are offset by those of the hedging instrument. Thus the effectiveness is measured by comparison between these changes.

The hedging is assumed as highly effective when the expected and effective changes in fair value or the cash flows of the hedging financial instrument neutralise almost completely the changes in the hedged element, within the limits set by the interval 80%-125%.

The assessment of the effectiveness is performed at each year-end and interim period using:

- perspective tests, which justify the application of the hedge accounting, since they show its expected effectiveness;
- retrospective tests, which show the level of effectiveness of the hedging reached in the period they refer to.

If the checks do not confirm that the hedging is highly effective, the accounting of the hedging transactions, according to the above, is interrupted and the hedging derivative contract is reclassified among the trading instruments, while the financial instrument subject to hedging goes back to being measured according to the criterion of the original pertinence class and, in case of cash flow hedge, any reserve is reclassified in the Income Statement along the residual duration of the instrument.

The hedging links also cease when the derivative expires or is sold or exercised and the hedged element is sold or expires or is repaid.

Measurement criteria

After initial recognition, hedging derivatives are measured at fair value. The calculation of the fair value of the derivatives is based on the prices inferred from regulated markets or supplied by operators, on option measurement models or future cash flow discounting models.

For further details on how fair value is determined, please refer to paragraph "A.4 - Information on fair value" of this part A.

Derecognition criteria

The hedging derivatives are derecognised when the right to receive the cash flows from the asset/liability has expired, or where the derivative is sold, or when the conditions for continuing to book the financial instrument under the hedging derivatives no longer apply.

Criteria for the recognition of the income components

Fair value hedge

In the case of a fair value hedge, the change in the fair value of the hedged item is offset by the change in the fair value of the hedging instrument. This offsetting actually takes place through the recognition in the Income Statement of changes in value, referring both to the hedged item and the hedging instrument. Any difference represents the ineffectiveness of the hedge and is

reflected in the Income Statement in terms of net effect. In the case of macro fair value hedges, changes in fair value with reference to the hedged risk of the hedged assets and liabilities are recognised in the Balance sheet in item 60. "Fair value change of financial assets in hedged portfolios" or item 50. "Adjustment of the financial liabilities subject to macro-hedging".

If the hedging relationship no longer satisfies the conditions for the application of hedge accounting and the hedging relationship is revoked, the difference between the carrying amount of the hedged element at the time when the hedge ceases and that which would have been its carrying amount if the hedge had never existed, is amortised in the Income Statement along the residual lifespan of the hedged element based on the effective rate of return in case of instruments entered at amortised cost. In the event that it is excessively costly to recalculate the internal rate of return, it is considered acceptable to amortise the delta fair value relating to the hedged risk over the residual life of the instrument in a linear manner or in relation to the residual portions of capital.

If this difference refers to non-interest bearing financial instruments, it is recorded immediately in the Income Statement. If the hedged element is sold or repaid, the portion of fair value not yet amortised is recognised immediately in the Income Statement.

Cash flow hedges and hedging instruments of a net investment in a foreign currency

In the case of cash flow hedges, changes in the fair value of the derivative are recognised, limited to the effective portion of the hedge, in an equity reserve. The above changes are recognised in the Income Statement only when, with reference to the hedged item, there is a change in the cash flows to be offset or if the hedge is ineffective.

When the hedging relationship no longer meets the conditions for the application of hedge accounting, the relationship is terminated and all losses and gains recognised in the equity reserve up to that date remain suspended within it and reversed to the Income Statement when the flows relating to the risk originally hedged occur.

5 – Equity investments

Classification criteria

Equity investments means stakes in the capital of other companies, generally represented by shares or holdings and classified as controlling interests, interests carrying significant influence and joint ventures.

The following definitions in particular apply:

- subsidiary: equity investments in companies as well as investments in entities over which the parent company exercises control of the relevant activities in compliance with IFRS 10. More specifically, 'an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee'. The power requires the investor to have existing rights that give the current ability to direct the activities that significantly affect the investee's returns. Power is based on an ability, whether or not that power is used in practice. Control is analysed on a continuous basis. The investor must redetermine whether it controls an investee when facts or circumstances indicate changes in one or more elements of control;
- associate: equity investments in companies for which, despite the conditions of control not being satisfied, the Bank, directly or indirectly, is able to exercise a significant influence as it has the power to participate in determining the financial and management policies of the investing company. Such influence is presumed (relative presumption) to exist for companies in which the Bank owns at least 20.00% of the voting rights of the investee company;
- jointly controlled company (Joint venture): an equity interest in a company that is achieved through a contractual agreement that collectively grants all parties or a group of parties control of the agreement.

Equity investments that in the separate financial statements of participating entities do not have the characteristics to be considered as investments in subsidiaries or associates, but instead, at a consolidated level, qualify as such, already in the separate financial statements of the individual Group entities, are qualified as equity investments subject to significant influence and are

consistently classified in the “Equity investments” item, measuring them accordingly at purchase cost. In such cases, the significant influence is demonstrated by the fact that the equity investment of the individual Affiliated Bank is instrumental in achieving control or connection at Group level.

Recognition criteria

Equity investments are initially entered at cost, including the directly attributable ancillary charges.

Measurement criteria

Equity investments in subsidiaries, associates and jointly controlled companies are measured by using the cost method net of any impairment losses.

If there is objective evidence of impairment, an estimate is made of the recoverable amount of the same investment, considering the current value of the future cash flows the same may generate, including the final disposal value of the investment. If the recoverable amount of the asset is lower than its book value, the impairment loss is recognised in the Income Statement under item “220. Profit (loss) on equity investments”.

Derecognition criteria

Equity investments are derecognised when the right to receive the cash flows from the asset has expired, or where the equity investment is sold by substantially transferring all the risks and benefits connected to it.

Criteria for the recognition of the income components

Dividends from investee companies are recognised under item “70. Dividend and similar income”. The latter are recognised in the income statement only when (par. 5.7.1A of IFRS 9):

- the right of the entity to receive the dividend payment arises;
- it is likely that the economic benefits from the dividend will flow to the entity;
- the amount of the dividend may be reliably estimated.

Normally the aforementioned conditions occur upon the shareholders’ resolution approving the financial statements and distribution of the result for the year by the investee company.

Any value adjustments/write-backs connected to the valuation of the equity investments as well as profits or losses deriving from the disposal are recognised under item “220. Profit (loss) on equity investments”.

6 - Tangible assets

Classification criteria

This item mainly includes land, properties for business use (IAS 16) and properties held for investment purposes (IAS 40), the plants, vehicles, furniture, furnishings and equipment of any type for long-lasting use.

“Property for business use” is defined as those tangible assets that are functional to the pursuit of the corporate purpose (including those held for use in the provision of services or for administrative purposes). On the other hand, property held for investment purposes includes property held for the purpose of receiving rental fees and/or for the appreciation of the invested capital.

The item also includes tangible assets classified under IAS 2 - Inventories, which refer both to assets arising from the enforcement of guarantees or the purchase at auction that the company intends to sell in the near future, without carrying out major renovation work, and which do not qualify for classification in the previous categories, and to the real estate portfolio including buildable areas of land, properties under construction, completed properties for sale and real estate development initiatives, held with a view to disposal.

Included are rights of use acquired through lease and relating to the use of a tangible asset (for lessees), assets under operating leases (for lessors), and improvements and incremental expenses incurred on third party assets, provided they relate to identifiable and separable tangible assets.

Recognition criteria

The tangible assets are initially entered at purchase or construction cost, including any ancillary charges directly attributable to the purchase and commissioning of the asset.

The unscheduled maintenance expenses and the costs of an increasing nature that imply increased future benefits being generated by the asset, if these can be identified and separated, are attributed to the assets they refer to and depreciated in relation to the residual possibility of using the same. If these improvements cannot be identified and separated, they are entered under “Other Assets” and subsequently depreciated based on the length of the contracts they refer to for the third-party assets, or along the residual life of the asset, if owned.

The expenses for repairs, maintenance or other actions to ensure the ordinary operation of the assets are instead recognised in the Income Statement of the year when they are incurred.

According to IFRS 16, leases are accounted for on the basis of the “right of use” model for which, at the initial date, the lessee has a financial obligation to make payments due to the lessor to offset its right to use the underlying asset during the lease term. When the asset is made available to the lessee for use (start date), the lessee recognises both the liability and the asset consisting of the right of use.

Measurement criteria

After initial recognition, the tangible assets, including non-instrumental properties, notwithstanding the specifications below, are entered in the accounts at cost, net of accumulated depreciation and any write-downs for the reductions in value, in compliance with the ‘cost model’.

Tangible assets are systematically depreciated each year based on their useful life by adopting the straight line method as the depreciation criterion. The following are not subject to depreciation:

- land, whether purchased individually or incorporated in the value of the buildings, since considered to have an undefined useful life. If their value is incorporated in the value of the building, assets which are separate from the building are only the ‘free-standing’ property assets; the subdivision between the value of the land and a value of the building is based on the appraisal of independent appraisers;
- works of art, the useful life of which may not be estimated, also since their value normally increases over time;
- real estate investments measured at fair value in compliance with accounting standard IAS 40;
- inventories of tangible assets, in accordance with IAS 2;
- tangible assets classified as held for disposal in accordance with IFRS 5.

The depreciation process starts when the asset is available for use. For the assets acquired during the year, the depreciation is calculated on a daily basis starting from the date of using the asset.

A write-down for value impairment is recorded for an amount corresponding to the excess in the book value compared to the recoverable amount. The recoverable amount of an asset is equal to the higher of the fair value, net of any sales costs, and the related value of using the asset, meant as the current value of the future flows originating from the asset. Any adjustments are recognised in the Income Statement.

If the reasons leading to recording the loss cease to apply, a write-back is accounted for, which may not exceed the value that the asset would have had, net of depreciation calculated in the absence of previous impairment losses.

Tangible assets recognised in accordance with IAS 2 are valued at the lower of cost and net realisable value. Any adjustments are recognised in the Income Statement.

With reference to the asset consisting of the right of use, accounted for in accordance with IFRS 16, it is measured using the cost model in accordance with IAS 16 Property, plant and equipment; in this case the asset is subsequently depreciated and subject to impairment testing if indicators of impairment emerge.

Derecognition criteria

Tangible assets are eliminated from the Balance Sheet at the time of disposal or when they are permanently withdrawn from use and, as a consequence, no future economic benefits are expected which derive from their sale or use.

Capital gains and losses deriving from the release or disposal of the tangible assets are determined as the difference between the net sale payment and the book value of the asset; they are recorded in the Income Statement at the same date when they are eliminated from the accounts.

Criteria for the recognition of the income components

Depreciation, value adjustments and write-backs of tangible assets are recorded in the Income Statement, in item 180. "Net value adjustments/write-backs to tangible assets".

In the first year the depreciation is recorded proportionally to the effective period of using the asset.

The assets subject to depreciation are adjusted for possible impairment losses each time events or changes in situations indicate that the Book value might not be recoverable. These impairment losses are recognised in the Income Statement, as are any reversals to be recognised if the reasons for the impairment no longer apply.

In item 250. "Profit (loss) from disposal of investments", the positive or negative balance between the profits and losses on investments is recognised.

7 - Intangible assets

Classification criteria

Accounting standard IAS 38 defines intangible assets as non-monetary assets without physical substance owned for use in a multi-year or undefined period, which meet the following characteristics:

- identifiability;
- the company holds the control;

- it is probable that the expected future economic benefits attributable to the asset will flow into the company;
- the cost of the asset may be reliably measured.

In the absence of one of these characteristics, the expense to acquire or generate the same internally is recorded as a cost in the year when it was incurred.

Intangible assets include, in particular, the application software with multi-year use and the other identifiable intangible assets that originate from legal or contractual rights.

Intangible assets also include goodwill, which represents the positive difference between the purchase cost and the fair value of the assets and liabilities of the acquired company.

Recognition criteria

Intangible assets are entered at cost, adjusted for any ancillary costs incurred to arrange the use of the asset, only if it is probable that the future economic benefits attributable to the asset will be realised and if the cost of the same asset may be determined reliably. Otherwise the cost of the tangible asset is recorded in the Income Statement in the year when it was incurred.

Measurement criteria

After initial recognition, intangible assets with a “definite” useful life are recognised at cost, net of the accumulated amortisation and impairment losses.

The amortisation process starts when the asset is available for use, or when it is in the place and conditions suitable to be able to work in the set manner.

Amortisation is carried out with the straight line method, in a way to reflect the multi-year use of the assets based on the estimated useful life. In the first year the depreciation is recorded proportionally to the effective period of using the asset. Amortisation ends from the date when the asset is eliminated from the accounts.

At each year-end, given the presence of evidence of impairment losses, an estimate is made of the recoverable amount of the asset. The amount of the impairment, recorded in the Income Statement, is equal to the difference between the book value of the asset and its recoverable amount.

Derecognition criteria

Intangible assets are eliminated from the Balance Sheet at the time of their disposal or when future economic benefits are not expected. Capital gains and losses from the release or disposal of an intangible asset are calculated as the difference between the net sale payment and the book value of the asset and entered in the Income Statement.

Criteria for the recognition of the income components

In the first year the depreciation is recorded proportionally to the effective period of using the asset.

In item 190. “Net value adjustments/write-backs to intangible assets”, the positive or negative balance between the value adjustments, amortisation and write-backs relating to the intangible assets is indicated. In income statement item 250. “Profit (Loss) from disposal of investments”, the positive or negative balance between the profits and losses on investments is recognised.

8 – Non-current assets and groups of assets held for disposal

Classification criteria

This item includes the non-current assets held for sale and the associated groups of assets and liabilities held for disposal, according to the provisions of IFRS 5.

More specifically, assets and groups of assets are classified in this item whose Book value will be mainly recovered with a sale rather than their continuous use.

For the recovery of a non-current asset or a group held for disposal through a sale to materialise, two conditions must be met:

- the asset must be available for immediate sale in its current condition, subject to conditions, which are usual and customary, for the sale of such assets (or groups held for disposal);
- the sale of the non-current asset (or group held for disposal) must be highly probable.

Since the sale is highly probable, Management at a suitable level must be committed to an asset disposal programme, and activities must be started to identify a purchaser and complete the programme. In addition, the asset must be actively exchanged in the market and put up for sale, at a reasonable price compared to its current fair value. The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the sale plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets and groups held for disposal and discontinued operations and related liabilities are shown under specific items of assets ("Non-current assets and groups of assets held for disposal") and liabilities ("Liabilities associated with assets held for disposal").

Recognition criteria

The non-current assets and groups of assets held for disposal are initially recognised at the lower between the Book value and the fair value net of costs to sell. With the exception of certain types of assets (e.g. financial assets falling within the scope of IFRS 9), IFRS 5 specifically provides that the measurement criteria of the relevant accounting standard must be applied.

Measurement criteria

In the measurements subsequent to initial recognition, non-current assets and groups of non-current assets held for disposal continue to be valued at the lower of their book value and their fair value net of costs to sell, with the exception of certain types of assets (e.g. financial assets falling within the scope of IFRS 9) for which IFRS 5 specifically provides that the measurement criteria of the relevant accounting standard must be applied.

In cases where assets held for disposal are depreciable, the depreciation process is interrupted from the time when classification as non-current assets held for disposal takes place.

Derecognition criteria

The non-current assets and groups of assets held for disposal are eliminated from the Balance Sheet at the time of disposal.

If an asset (or group held for disposal) classified as held for sale loses the criteria for inclusion in accordance with accounting standard IFRS 5, the asset (or group held for disposal) must no longer be classified as held for sale.

It is necessary to assess a non-current asset that ceases to be classified as held for sale (or ceases to be part of a group held for disposal and classified as held for sale) at the lower between:

- the accounting value before the asset (or group held for disposal) was classified as held for sale, adjusted for all the amortisation, write-downs or write-backs that would have otherwise been recorded if the asset (or group held for disposal) had not been classified as held for sale;
- its recoverable amount at the date of the subsequent decision to not sell.

The items include the current and deferred tax assets and current and deferred tax liabilities recognised in application of IAS 12.

Income taxes relating to discontinued operations are calculated in compliance with current taxation regulations and are recognised in the income statement on an accrual basis, in line with the recognition in the accounts of the costs and revenues that generated them, except for those relating to the entries charged or credited directly in the equity, for which the recognition of the related taxation takes place, for consistency, in the equity.

Criteria for the recognition of the income components

Income and expenses (net of the tax effect) attributable to groups of assets held for disposal or recognised as such during the year are shown in the relevant Income Statement item "290. Profit (loss) after tax from discontinued operations".

9 - Current and deferred taxes

Current taxes

Current tax assets and liabilities are recorded at the value due or recoverable against the tax profit (loss) by applying the rates and the current taxation regulations. Current taxes that are entirely or partially unpaid at the reference date are posted under "Current tax liabilities" of the consolidated Balance Sheet.

In the event of overpayment, which gave rise to a recoverable receivable, this is accounted for among the "Current tax assets" of the Balance Sheet.

In accordance with IAS 12, the Bank compensates current tax assets and liabilities if, and only if, it:

- has an enforceable right to offset the amounts recognised;
- intends to settle for the net residual, or realise the asset and simultaneously settle the liability.

Deferred taxes

Deferred tax assets and liabilities are booked by using the balance sheet liability method, taking into account the temporary differences between the carrying amount of an asset or a liability and its value recognised for tax purposes. They are calculated using the applicable tax rates according to current laws, in the year when the deferred tax asset will be realised or the deferred tax liability will be settled.

Tax assets are recorded only if it is deemed probable that in the future a taxable income will be realised, against which this asset may be used.

In particular, tax regulations may lead to differences between taxable income and statutory income that, if temporary, only cause a temporal mismatch that implies the advance or deferment of the time of taxation compared to the period of accrual, thus determining a difference between the carrying amount of an asset or a liability in the Balance Sheet and its value recognised

for tax purposes. These differences are distinguished between “Deductible temporary differences” and “Taxable temporary differences”.

Deferred tax assets

“Deductible temporary differences” indicate a future reduction in taxation, against a prepayment of tax compared to the economic-statutory accrual. They generate deferred tax assets since they will determine a lower tax burden in the future, on the condition that in the following years, taxable profits are realised in a sufficient measure to cover the realisation of the taxes paid in advance.

“Deferred tax assets” are recorded for all the deductible temporary differences if it is probable that a taxable income will be realised against which the deductible temporary differences may be used. However the probability of recovering advance taxes relative to goodwill, other intangible assets and adjustments to receivables is to be considered automatically fulfilled pursuant to the provisions of the law that provide for their transformation into a tax credit in the event of a statutory and/or tax loss.

The transformation enters into effect from the date of the approval of the shareholders’ meeting of the separate financial statements in which the loss is recognised.

The origin of the difference between the higher fiscal income and the statutory one is mainly due to negative income components fiscally deductible in years that are subsequent to those of recognition in the financial statements.

Deferred tax liabilities

“Taxable temporary differences” indicate a future increase in taxation and consequently generate “Deferred tax liabilities”, since these differences give rise to taxable amounts in the years following those when they are attributed to the statutory Income Statement, determining a deferment of the taxation compared to the economic-statutory accrual.

“Deferred tax liabilities” are recorded for all the taxable temporary differences with the exception of the deferred tax reserves since transactions that determine the taxation are not envisaged.

The origin of the difference between the lower fiscal income and the statutory one is due to:

- positive income components taxable in years after those when they were entered in the accounts;
- deductible negative income components in years prior to the one when they will be entered in the accounts according to statutory criteria.

Assets and liabilities entered for advance and deferred taxes are systematically measured to take into account any amendments taking place in the regulations or in the rates.

Advance taxes and deferred taxes are accounted for at capital level with open balances and without offsetting in item 100. “Tax assets b) deferred” and in item 60. “Tax liabilities b) deferred”.

If the deferred tax assets and liabilities refer to components which concerned the income statement, the contra-entry is represented by income tax. In case the advance and deferred taxes concern transactions which directly regard the equity without influencing the income statement (such as the valuation of financial instruments measured at fair value through other comprehensive income), they are recorded as a contra-entry to equity, affecting the specific reserve when applicable.

Global Minimum Tax (Legislative Decree no. 209 of 27 December 2023)

In implementation of the principles laid down in Law no. 111 of 9 August 2023, Legislative Decree no. 209 of 27 December 2023 transposed into Italian law Council Directive (EU) 2022/2523 of 14 December 2022, intended to ensure a global

minimum level of taxation (so-called “Global Minimum Tax”, or “GMT”) for multinational enterprise groups and large-scale domestic groups in the Union.

Title II of the decree introduced global minimum taxation aligned with the so-called GloBE Rules devised internationally by the OECD in order to combat harmful tax competition between States.

In principle, the legislation in question applies from financial years beginning on or after 1 January 2024, to national and multinational groups with revenues recorded in the consolidated financial statements of the parent company exceeding EUR 750 million in at least two of the four financial years prior to the one in question.

The Global Minimum Tax aims to ensure effective taxation of at least 15% for each jurisdiction where the aforesaid groups are located, through the application of a top-up tax in cases where the so-called “Effective Tax Rate” in a given jurisdiction, following the adjustments laid down in the rules under the aforementioned Title II and the respective implementing decrees, is lower than the aforesaid minimum tax rate.

In 2024, the legislation in question was supplemented by Ministerial Decree of 20 May 2024, concerning the governance of simplified transitional regimes (so-called “Transitional Safe Harbours” or “TSH”), as well as by Ministerial Decree of 1 July 2024 on the so-called “domestic minimum tax”.

With specific reference to the Cassa Centrale Group, it should be noted that the Directive of the Ministry of Economy and Finance issued on 17 February 2025 under “Guidelines on global minimum tax, introduced with Legislative Decree no. 209 of 27 December 2023 – absence of application requirements for cooperative banking groups”, clarified that affiliated banks participating in cooperative banking groups by virtue of a “cohesion contract” reflected in the consolidated financial statements, do not fall under the scope of application of Global Minimum Tax since the Parent Company does not hold a controlling equity interest, since such equity interest is a necessary requirement for the identification of a Group as well as an essential pre-condition for the applicability and function of GMT.

Limiting the legislative scope to the industrial group formed of the Parent Company and its subsidiaries, as defined on the basis of the controlling equity interest mentioned and without taking account of the cohesion contract, with effect from 1 January 2024, as a Multinational Group that exceeded the revenue threshold of EUR 750 million for two of the four previous financial years, the Group falls under the scope of application of GMT and is therefore also potentially impacted by its jurisdiction in Luxembourg, where the subsidiary Neam operates.

On the basis of the analyses carried out, the exposure of the Cassa Centrale Banca Group, identified on the basis of the controlling equity interest, to the Pillar Two income tax in the two jurisdictions in which it operates (Italy and Luxembourg) at the closing date of the financial year is assessed to be nil, since, in both jurisdictions, the so-called Simplified ETR Test is passed, applied taking account of the OECD clarifications available to date.

Lastly, it should be noted that the Group is still monitoring the ongoing developments in legislation at global and domestic level, including in order to implement the necessary GMT management processes.

10 - Provisions for risks and charges

Classification criteria

In compliance with the provisions of IAS 37, the provisions for risks and charges include the provisions relating to current (legal or implicit) obligations originating from a past event, for which the use of economic resources is probable to fulfil the same obligation, as long as a reliable estimate of the related amount can be made.

Recognition criteria

Therefore, this item includes the following:

- “Provision for credit risk relative to commitments and financial guarantees given”: the value of the total provisions for credit risk is recognised in respect of the commitments to disburse funds and financial guarantees given which are subject to the impairment rules of IFRS 9 (see paragraph 2.1, letter e); paragraph 5.5; appendix A), including therein the financial guarantees given and the commitments to disburse funds which are measured at the first-time recognition value, net of the total revenues booked in compliance with IFRS 15;
- “Provision for other commitments and guarantees given”: the value of the total provisions in respect of other commitments and other guarantees given which are not subject to the impairment rules of IFRS 9 is recognised (see IFRS 9, paragraph 2.1, letters e) and g));
- “Provisions for post-employment benefits” includes the provisions in respect of benefits provided to the employee after terminating the employment relationship in the form of defined contribution plans or defined benefit plans;
- “Other provisions for risks and charges”: these include other provisions for risks and charges established in compliance with the provisions of the international accounting standards (e.g. personnel expenses, tax disputes).

Measurement criteria

The amount recorded as allocation represents the best estimate possible of the charge requested to fulfil the existing obligation at the reference date.

Where the time element is significant, the provisions are discounted by using current market rates.

The allocated funds are periodically reviewed and adjusted, if necessary, to reflect the best current estimate. If, following the review, the charge becomes unlikely to be incurred, the provision is cancelled. With regard to provisions for employee benefits, please refer to paragraph “15.2 - Provision for severance indemnity and seniority bonuses” below.

Derecognition criteria

If it is unlikely that the use of resources to produce economic benefits to fulfil the obligation will be necessary, the provision must be cancelled. A provision must be used only for those expenses for which it was originally entered.

Criteria for the recognition of the income components

The provision is recognised in the Income Statement in item 170. “Net allocations to provisions for risks and expenses”.

The item includes the positive or negative balance between the allocations and any re-attributions to the Income Statement of funds deemed redundant.

The net allocations also include the decreases in funds for the discounting effect as well as the corresponding increases due to the passing of time (accrual of the interest implicit in discounting).

11- Financial liabilities measured at amortised cost

Classification criteria

Financial liabilities measured at amortised cost include amounts due to banks and customers, whatever their technical form (deposits, current accounts, loans, leases), other than “Financial liabilities held for trading” and “Financial liabilities designated at fair value”.

This item also includes securities issued for funding purposes (e.g. certificates of deposit, bonds) measured at amortised cost. Securities that, as at the reference date, are expired but still not repaid are included.

Recognition criteria

The initial recognition of these financial liabilities takes place upon receiving the sums collected or issuing the debt securities. The value at which they are entered corresponds to the related fair value, normally equal to the amount collected or the issue price, increased by any additional costs/income directly attributable to the individual funding or issue transaction and not repaid by the creditor counterparty. Internal costs of an administrative nature are excluded.

The fair value of the financial liabilities, possibly issued at different conditions from market conditions, is subject to a suitable estimate and the difference compared to the amount collected is, where appropriate, directly recognised in the Income Statement.

Measurement criteria

Following initial recognition, carried out at fair value, on the date of signing of the contract, the financial liabilities are measured at the amortised cost, using the effective interest rate method.

Excluded are the short-term liabilities, where the time factor is negligible, which remain recorded at their collected value, and whose costs and income directly attributable to the transaction are entered in the relevant items of the Income Statement.

Derecognition criteria

The financial liabilities are derecognised from the financial statements when settled or expired, or when securities issued by the Group are reacquired, with a consequent redefinition of the debt entered for debt securities in issue.

Criteria for the recognition of the income components

The negative income components represented by the interest expense are entered on an accrual basis in the items in the Income Statement relating to interest.

Any difference between the value of repurchasing own securities and the corresponding carrying amount of the liability is entered in the Income Statement under item 100. “Profit (loss) from disposal/repurchase of: c) Financial liabilities”.

12 - Financial liabilities held for trading

Classification criteria

Subject to recognition in this item are the financial liabilities, whatever their technical form (debt securities, loans, etc.) classified in the trading book.

The item includes, where present, the negative value of the trading derivative contracts. Derivatives connected to the fair value option are also included in this category (as defined in IFRS 9, section 4.2.2) which are operationally related to the assets and liabilities measured at fair value which on the reporting date have a negative fair value, except for derivatives which are designated as effective hedging instruments and recognised in a separate liability item in the balance sheet. If the fair value of a derivative subsequently becomes positive, it shall be recognised among financial assets measured at fair value through profit or loss.

Recognition criteria

The derivative financial instruments are entered at the subscription date and measured at fair value through profit or loss.

Measurement criteria

Subsequently to the initial recognition, the financial liabilities are measured at fair value through profit or loss.

For details on how fair value is determined, please refer to the following paragraph "A.4 - Information on fair value" of this part A.

Derecognition criteria

Financial liabilities held for trading are derecognised from the financial statements when the contractual rights to the relevant cash flows expire or when the financial liability is transferred with the substantial transfer of all the risks and rewards deriving from its ownership.

Criteria for the recognition of the income components

Profits and losses deriving from changes in fair value and/or from the disposal of financial liabilities held for trading are recognised in the Income Statement under item "80. Net result from trading".

13 - Financial liabilities designated at fair value

Classification criteria

Classified in this item are those financial liabilities designated at fair value with valuation results entered in the income statement as a result of the exercise of the "Fair Value Option" provided by IFRS 9, i.e. when:

- an inconsistency in the valuation or recognition is eliminated or significantly reduced (sometimes defined as an accounting mismatch), which would otherwise result from the measurement of assets or liabilities or the recognition of the associated profits and losses on a different basis;
- there is an implicit derivative;

- a group of financial liabilities or financial assets and liabilities is managed and its return is designated at fair value according to a documented risk management or investment strategy and the information relating to the group is provided internally on said basis to executives with strategic responsibilities.

Recognition criteria

Financial liabilities designated at fair value are initially recognised at fair value on the issue date, which normally corresponds to the amount collected without considering the transaction costs or income directly attributable to the same instrument, which are instead attributed to the Income Statement.

Measurement criteria

Liabilities are designated at fair value. The income components are reported according to the provisions of IFRS 9, as set out below:

- changes in fair value attributable to the change of its creditworthiness are stated in the appropriate equity reserve (statement of consolidated comprehensive income);
- the remaining changes in fair value are recognised in the income statement, under item "110. Net result on other financial assets and liabilities measured at fair value through profit or loss".

For details on how fair value is determined, please refer to the following paragraph "A.4 - Information on fair value" of this Part A.

Derecognition criteria

The financial liabilities designated at fair value are derecognised from the financial statements when they have expired or are extinct.

Derecognition also takes place in case of repurchasing previously issued securities. The difference between the Book value of the liability and the amount paid to purchase is recorded in the income statement.

The re-placement on the market of own securities subsequently to their repurchase is considered as a new issue with entry of the new placement price, without effects on the income statement.

Criteria for the recognition of the income components

The cost for interest on debt instruments is classified among the "Interest expense and similar charges" of the income statement.

The income components relating to this financial statements item are reported according to the provisions of IFRS 9, as below:

- changes in fair value attributable to the change of its creditworthiness are stated in the appropriate equity reserve (statement of consolidated comprehensive income);
- the remaining changes in fair value are recognised in the income statement, under item "110. Net result on other financial assets and liabilities measured at fair value through profit or loss".

14 - Foreign exchange transactions

Classification criteria

Among the assets and liabilities in foreign currencies, in addition to those explicitly expressed in a currency other than the Euro, are also those to which financial indexing clauses apply, connected to the Euro exchange rate with a certain currency or a given basket of currencies.

For the purpose of the conversion method to be used, the assets and liabilities in foreign currencies are subdivided into monetary items (classified among the current items) and non-monetary items (classified among the non-current items).

The monetary elements consist of cash at hand and in the assets and liabilities to be received or paid, in cash amounts that are fixed or to be determined. In non-monetary elements, the right to receive or the obligation to deliver a cash amount that is fixed or to be determined is absent.

Recognition criteria

Transactions in foreign currencies are recorded, at the time of initial recognition, in a currency account, by applying the exchange rate in force at the transaction date to the amount in a foreign currency.

Measurement criteria

At the time of closing the financial statements or the interim period, the elements originally denominated in foreign currencies are valued as follows:

- the monetary items are converted at the exchange rate at year-end;
- the non-monetary items measured at the historical cost are converted at the exchange rate in force at the transaction date;
- the non-monetary items carried at fair value are converted at the spot exchange rate at year-end.

Criteria for the recognition of the income components

The exchange rate differences found between the transaction date and the related payment date, on the monetary elements, are booked in the Income Statement in the year when they arise, together with those which derive from the conversion of monetary elements at different rates from the initial conversion rates or the conversion at the previous year-end.

When a profit or loss relating to a non-monetary element is recorded in the Equity, the exchange rate difference relating to this element is also recorded in the Equity.

When a profit or loss is recorded in the Income Statement, the related exchange rate difference is also recorded in the Income Statement.

15 - Other information

15.1 Sales and repurchase contracts (repos)

Securities sold and subject to a repurchase agreement are classified as committed financial instruments when the purchaser has the right to resell or re-commit the underlying asset by contract or agreement; the liability of the counterparty is included in the liabilities to other banks, other deposits or customer deposits.

The securities purchased in relation to a resale contract are accounted for as loans or advances to other banks or customers.

The difference between the sales price and the purchase price is booked as interest and recorded on an accrual basis along the lifespan of the transaction.

15.2 Provision for severance indemnity and seniority bonuses

Provision for severance indemnity (TFR) is similar to a "post-employment benefit" of the "defined benefit plan" type for which, according to IAS 19, its value must be determined using actuarial methods.

Consequently, the valuation at the end of the year is made on the basis of the benefits accrued using the projected unit credit method.

This method provides for a projection of future outflows based on historical, statistical and probability analysis as well as by virtue of adopting the appropriate basic demographic techniques.

It makes it possible to calculate the severance indemnity accrued on a certain date in actuarial terms, distributing the expense for all the years of expected residual permanence of the existing employees and no longer as an expense to be settled in the event that the company ceases its operations on the reference date.

The valuation of the employee severance indemnity is carried out by an independent actuary pursuant to the method indicated above.

Following the entry into effect of the supplementary pension reform, pursuant to Legislative Decree no. 252/2005, the portions of the provision for severance indemnity accrued to 31 December 2006 will remain in the company, while the portions that accrue from 1 January 2007 have been, at the option of the employee, applied to supplementary pension plans or the INPS fund.

The latter were therefore recognised in the Income Statement based on the contributions due in each year; the obligation to the supplementary fund or INPS has not been discounted, due to a maturity of less than 12 months.

Based on IAS 19, the severance indemnity paid to the Pension Fund Treasury (INPS) is considered as a defined contribution plan, as is the amount paid into the supplementary fund.

The portions accrued and paid into the supplementary pension funds are recognised in the Income Statement sub-item "160. a) Staff expenses".

These portions are configured as a defined contribution plan since the obligation of the company towards the employee ends with the payment of the accrued amounts. Therefore, for these cases, only the portion of the debt can be recorded under the liabilities (among "Other liabilities") for payments still to be made to the INPS or the supplementary funds, on the reference date.

IAS 19 requires all actuarial gains and losses accrued on the reference date to be immediately recognised in the "statement of comprehensive income".

The “Other long-term benefits” described by IAS 19 include the seniority bonuses to employees. These benefits must be valued, in compliance with IAS 19, with the same methodology used to determine the provision for severance indemnity, as these are compatible.

The liability for the seniority bonus is recorded under the provisions for risks and charges of the Balance Sheet.

The allocation, as the reattribution to the Income Statement of any excesses of the specific fund (due for example to changes to the actuarial assumptions) are recognised in the Income Statement among the “Staff expenses”.

15.3 Recognition of revenues and costs

Revenues are recognised when control of the goods or services is transferred to the customer at an amount that represents the amount of the consideration to which the customer is deemed to be entitled.

Revenues are recorded through a process of analysis that involves the following steps:

- identification of the contract, defined as an agreement in which the parties have undertaken to fulfil their respective obligations;
- identification of the individual performance obligations contained in the contract;
- determination of the transaction price, i.e. the expected consideration for the transfer of the goods or services to the customer;
- allocation of the transaction price to each performance obligation, based on the sales prices of the individual obligation;
- recognition of revenues when (or as) the performance obligation is fulfilled by transferring the promised good or service to the customer.

That said, the recognition of revenues may occur:

- at a given time, when the entity meets its performance obligation by transferring the promised good or service to the customer; or
- over a period of time, as the entity meets its performance obligation by transferring the promised good or service to the customer.

With reference to point b) above, a “performance obligation” is satisfied over a period of time if at least one of the following conditions is met:

- the customer controls the asset involved in the contract at the moment in which it is created or enhanced;
- the customer simultaneously receives or consumes the benefits provided by the entity’s performance as the entity performs;
- the company’s performance creates a personalised asset for the customer and the company has a payment right for the services completed at the date of transfer of the asset.

If none of the above criteria are met, then the revenue is recognised at a given moment.

The indicators of the transfer of control are i) the payment obligation ii) the legal title to the right for the consideration accrued iii) the physical possession of the asset iv) the transfer of the risks and benefits connected with ownership v) acceptance of the asset.

With regards to revenues realised over a period of time, the Bank adopts a time-based accounting method. In relation to the above, the main approaches adopted by the Bank are summarised below:

- the interest is recognised on a temporal basis, based on the contractual interest rate or the effective rate in the case of applying the amortised cost;
- the overdue interest, possibly set contractually, is booked in the Income Statement only at the time of its actual collection;

- the dividends are recorded in the Income Statement in the period in which their distribution is resolved;
- the fees and commissions for revenue from services are entered, based on the existence of contractual agreements, in the period when the same services were rendered.

The revenues from the sale of non-financial assets are recorded at the time of finalising the sale, unless most of the risks and benefits associated with the asset have been maintained.

The costs are booked to the Income Statement according to the accrual principle; the costs relating to obtaining and fulfilling of the contracts with the customer are recognised in the Income Statement in the periods in which the associated revenues are recognised.

15.4 Improvements to third-party assets

The restoration costs on third party properties are capitalised in consideration of the fact that, throughout the duration of the lease, the using company has the control of the goods and may gain future economic benefits from them. The aforementioned costs are classified among the "Other assets" and are amortised for a period not exceeding the duration of the lease.

15.5 Methods of recognition of impairment losses

Impairment of financial assets

Financial assets other than those measured at fair value through profit or loss, in accordance with IFRS 9, are subject to an assessment - to be carried out at the end of each reporting period - to verify whether there are any indicators that these assets may be impaired (known as impairment indicators).

If the above indicators exist, the financial assets in question are considered impaired (stage 3) and value adjustments equal to the expected losses over their entire residual life must be recorded against them.

For financial assets for which there are no impairment indicators (stage 1 and stage 2), it is necessary to verify whether there are indicators such that the credit risk of the individual transaction is significantly increased compared to the time of initial recognition and apply, consequently, the criteria underlying the IFRS 9 impairment model.

The IFRS 9 impairment model

The impairment model adopted by the Bank is consistent with the one adopted by the entire Group.

The scope of application of the IFRS 9 impairment model adopted by the Bank, on which the requirements for the calculation of allocations are based, includes financial instruments such as debt securities, loans, trade receivables, assets deriving from contracts and receivables originating from lease transactions, measured at amortised cost or fair value through other comprehensive income, as well as off-balance sheet exposures (financial guarantees and commitments to disburse funds).

The aforementioned impairment model is characterised by a forward looking approach and in given circumstances, may require the immediate recognition of all expected losses over the life of a loan. This estimate will also need to be continuously adjusted to take account of the credit risk of the counterparty. In order to prepare this estimate, the impairment model must not only consider past and present data, but also information relating to future events.

For credit exposures falling within the scope of application of the impairment model, the accounting standard provides for the allocation of the individual positions in one of the 3 stages listed below:

- in stage 1, positions that do not present, at the valuation date, a significant increase in credit risk or which can be identified as 'low credit risk';

- in stage 2, positions that, at the reference date, present a significant increase or that do not present the characteristics to be identified as 'low credit risk';
- in stage 3, non-performing positions.

More specifically, the Bank made provision for the allocation of the individual credit, on-balance and off-balance sheet positions, in one of the three stages listed below, based on the following criteria:

- in stage 1, positions with generation date of less than three months from the measurement date or that do not present any of the characteristics described in the following point;
- in stage 2, the positions, which at the reference date, showed a significant increase in credit risk:
 - positions belonging to certain particularly risky geo-sectoral clusters, identified by an IFRS 9 PD higher than 20% on average, or identified "collectively" as at risk;
 - positions which, at the valuation date, are classified to watch list, i.e. performing under observation;
 - positions which, as at the valuation date, show an increase in PD compared to that at origination, which exceeds certain thresholds calculated using quantile regression methods;
 - presence of a 'forborne performing' attribute;
 - presence of past due amounts and/or overrun by more than 30 days;
 - positions (without 'lifetime PD' at the disbursement date) that, at the measurement date, do not present the characteristics to be identified as 'low credit risk' (as described below);
 - counterparty positions classified as performing and identified on the basis of the Group policy as POCI (Purchased or Originated Credit Impaired);
 - positions with hedging subject to overlays over predefined hedging thresholds were moved to stage 2;
- in stage 3, non-performing loans. These concern individual positions relating to counterparties classified in one of the impaired loan categories set forth by Bank of Italy Circular no. 272/2008 and subsequent updates. Falling into this category are impaired past due and/or overrun, 'unlikely to pay' and impaired exposures.

Performing positions which at the valuation date have a one-year PD pursuant to IFRS 9 no greater than 0.3% are considered low credit risk.

Positions are allocated automatically to the stages set out in IFRS 9 according to the criteria defined above.

The estimate of expected loss using the Expected Credit Loss (ECL) methodology, for the classes defined above, takes place on the basis of the allocation of each position into the three reference stages, as detailed below:

- stage 1, expected loss is calculated on a time horizon of one year;
- stage 2, the expected loss is calculated by considering all the losses that it is presumed will be incurred during the entire life of the financial asset ("lifetime expected loss");
- stage 3, the expected loss must be calculated from a lifetime perspective, but unlike the positions in stage 2, the calculation of lifetime expected loss will be analytical. In addition, where appropriate, forward looking elements will be introduced to the measurement of the aforementioned positions represented, in particular, by the inclusion of different scenarios (e.g. sale), weighted for the relevant probability of occurrence. More specifically, as part of the estimate of the recovery value of the positions (in particular those classified as non-performing), the inclusion of a transfer scenario, as an alternative to the internal management scenario, normally involves the recognition of greater value adjustments connected with the application of weighted sale prices for the relative probability of occurrence of the transfer scenario.

With specific reference to loans to banks, the Bank has adopted a model for determining the significant increase in credit risk that differs slightly from that applied to loans to customers, although the stage allocation logic adopted for loans to banks have been defined as consistently as possible with those implemented for loans to customers.

More specifically, with reference to loans to banks, the low credit risk ratios are performing ratios which at the valuation date have the following characteristics:

- absence of "lifetime PD" at the disbursement date;
- PD Point in Time lower than 0.3%.

Interbank positions are allocated automatically to the stages set out in IFRS 9 according to the criteria defined above. Now, therefore, for loans to banks, the Bank adopts the IFRS 9 impairment model developed on an ad hoc basis for the specific counterparty type and, therefore, different from the model used for loans to customers.

Also for loans to banks, the estimate of expected loss using the Expected Credit Loss (ECL) methodology, for the classes defined above, takes place on the basis of the allocation of each position into the three reference stages, as detailed below:

- stage 1: expected loss is calculated on a time horizon of 12 months;
- stage 2: expected loss is calculated on a time period that incorporates the entire duration of the position until maturity (so-called LEL, Lifetime Expected Loss);
- stage 3, expected loss must be calculated from a lifetime perspective, but unlike the positions in stage 2, the calculation of lifetime expected loss is analytical.

The probability of default and exposure at default (hereinafter also PD and EAD) risk parameters are calculated by the impairment model.

The loss given default (hereinafter also "LGD") parameter is prudentially set at the regulatory level of 45% valid in the IRB Foundation model, for portfolios composed of risk assets other than subordinated and guaranteed instruments.

With reference to the portfolio of securities, the use of the approach for loans is confirmed, i.e. allocation of securities into one of the three stages set forth by IFRS 9, which correspond to the three different expected loss calculation methodologies.

In stage 1, expected loss is measured within a time horizon of one year, therefore with a probability of default at 12 months.

In the stage 1 of creditworthiness, securities were placed:

- at the moment of purchase, regardless of their risk;
- which, at the measurement date, have not experienced a significant increase in credit risk with respect to the moment of purchase;
- which have experienced a significant decrease in credit risk.

In stage 2, the ECL is calculated by using the probability of lifetime default. This stage will include those securities that possess the following characteristics:

- at the measurement date, the instrument presents an increase in credit risk with respect to the purchase date as such to request the recognition of an expected loss until maturity;
- instruments that fall under stage 3 on the basis of a significant decrease in risk.

The third and final stage includes exposures for which the ECL is calculated using a probability of default of 100%.

The decision to place instruments in stage 1 or in stage 2 is connected with the quantification of the thresholds that identify a significant increase in the credit risk of the individual tranche subject to valuation. These thresholds are calculated from the characteristics of the portfolio. As regards stage 3, an analysis is conducted as to whether the increase in risk was high enough,

from the moment of initial recognition, to consider the assets “impaired”, i.e. whether events were verified as such to negatively impact future cash flows. As outlined previously, an incremental loss must be recognised from stage 1 to stage 3. In more detail:

- The 12-month ECL represents the expected value of the loss estimated on an annual basis;
- the lifetime ECL is the estimate of expected loss until maturity of the security;
- the estimate parameters of the ECL are the probability of default, the Loss Given Default and the Exposure at Default of the individual tranche (PD, LGD, EAD).

Analytical impairment of receivables in stage 3

With reference to the analytical valuation of loans, the model used by the Bank to determine allocations for impaired loans (stage 3) measured at amortised cost or at fair value through other comprehensive income requires, depending on their characteristics, the use of a specific analytical valuation or a flat-rate analytical valuation.

The specific analytical valuation method is designed to determine the correct quantification of the allocations for each position, considering both the characteristics of the individual position being valued and the characteristics of the counterparty to which the same is registered.

The purpose of the flat-rate analytical valuation is to determine the correct quantification of allocations for each position and is carried out by estimating risk parameters defined by a statistical model, in line with the provisions for the collective assessment of performing exposures with reference to stage 2 credit exposures.

The flat-rate analytical valuation shall apply to credit exposures with the following characteristics:

- impaired past due and/or overrun exposures;
- impaired off-balance sheet exposures (e.g. endorsement exposures, available margins on credit);
- On-balance exposures classified as unlikely to pay that do not exceed an amount threshold defined at the individual debtor level (so-called size threshold);
- On-balance exposures classified as non-performing that do not exceed the size threshold.

The specific analytical valuation applies to credit exposures that have the following characteristics:

- On-balance exposures classified as unlikely to pay that exceed the size threshold;
- On-balance exposures classified as non-performing that exceed the size threshold.

For the purposes of applying the size threshold, the overall credit exposure is taken as a reference at the level of the individual debtor, thus determining, alternatively, a flat-rate or specific analytical valuation for all cash relationships in the name of the same debtor. The size threshold for counterparties classified as unlikely to pay and non-performing is EUR 100,000.

The assessment of expected losses, in particular with regard to non-performing exposures, shall be carried out taking into account the probability that different credit realisation scenarios will occur, such as the assignment of the exposure or, conversely, internal management.

With regard to the specific analytical valuation of recoverable amount (valuation component), the Bank adopts two alternative approaches that reflect the characteristics and riskiness of individual credit exposures:

- “going concern” approach, which applies only to business counterparties, operating in sectors other than real estate, that have objective prospects of going concern that are assumed when:
 - the debtor’s future operating cash flows are pertinent and can be reliably estimated from documentable sources, such as:
 - updated, complete and regular official financial statements;

- the business plan, the use of which for estimating cash flows is subject to (i) verification of the reliability and feasibility of the assumptions underlying the plan and (ii) full compliance with the plan, if it is already in progress;
 - the plan provided for in relation to agreements pursuant to the Bankruptcy Law such as, for example, pursuant to Article 67 letter d), Article 182 bis and septies, Article 186 bis, Article 160 et seq., it being understood that as long as the plans have only been submitted and not sworn in by the external professional appointed, the participating banks must carry out the same checks as those provided for with reference to the business plans;
 - the debtor's future operating cash flows are adequate to repay the financial debt to all creditors.
- "gone concern" approach, which applies obligatorily to credit exposures in the name of individuals and for companies with a view to business cessation or where it is not possible to estimate operating cash flows.

The discounting of the recoverable amount (financial component), applied for non-performing loans and unlikely to pay, is based on the determination of the discount rate and the recovery time.

Impairment of equity investments

At each reporting date, investments in associates or jointly controlled companies are subject to an impairment test to verify whether there is objective evidence that the Book value of the assets in question is not fully recoverable.

The presence of impairment indicators (such as the presence of lower than expected economic performance of the investee company, significant changes in the environment or in the market where the company operates or in market interest rates, etc.) leads to the recognition of an impairment loss to the extent that the recoverable amount of the investment is lower than its carrying amount.

The recoverable amount is represented by the higher of the fair value, net of costs to sell and the value in use of the equity investment. As a consequence, the need to estimate both values does not apply if one of them has been valued above the Book value.

For the valuation methods used to determine fair value, reference should be made to paragraph "A.4 - Information on fair value" of this Part A.

The value in use of the investment is the present value of the expected cash flows from the asset. This quantity responds to a general logic according to which the value of an asset is a direct expression of the cash flows it is able to generate over the period of its use. The determination of value in use therefore presupposes the estimate of the cash flows expected from the use of the assets or their final disposal expressed in terms of present value through the use of appropriate discount rates.

When an equity investment does not generate cash flows that are largely independent from other assets, it is subject to an impairment test not independently, but at the level of the CGU. Therefore, when assets attributable to a subsidiary are included in a CGU larger than the investment itself, the impairment test can only be carried out at the latter level and not at the level of the individual investee company for which a value in use cannot be correctly estimated.

If the outcome of the impairment shows that the recoverable amount is higher than the book value of the equity investment, no value adjustment is recognised; otherwise, an impairment loss is recognised in Income Statement item "220. Profit (loss) on equity investments".

Should the recoverable amount subsequently be higher than the new Book value because it can be demonstrated that the elements that led to the write-down are no longer present, a write-back is permitted up to the amount of the previously recorded adjustment.

Impairment of other fixed assets

Tangible assets

IAS 36 establishes that, at least once a year, the company must verify whether the tangible assets held show one or more indicators of impairment. If such indicators are found, the enterprise must carry out a valuation (impairment test) in order to detect any impairment loss.

The impairment test does not apply to the tangible assets that constitute:

- real estate investments measured at FV (IAS 40);
- inventories (IAS 2);
- assets within the scope of IFRS 5.

The impairment indicators to be considered are those defined by paragraph 12 of IAS 36. In this regard, impairment indicators specific to tangible assets may occur, for example, in the presence of obsolescence that prevents normal use of the same such as fire, collapse, unusability and other structural defects.

Although IAS 36 is applicable to individual assets, it is often very difficult or, in some cases, impossible to calculate the value in use of an individual tangible asset. For example, it is not always possible to attribute specific incoming or outgoing cash flows to a property that hosts the Management (so-called corporate asset) or to a plant or machinery. In these cases, IAS 36 states that the CGU, i.e. the smallest grouping of assets that generates independent cash flows, must be identified and tested at this higher level (rather than on the individual asset). This is precisely because it is often a group of assets - and not a single asset - that generates cash flow and for this reason it is not possible to calculate the value in use of the individual asset.

Without prejudice to the above, the impairment test involves the need to compare the recoverable amount (which in turn is the higher of value in use and fair value net of costs to sell) of the tangible asset or the CGU with the relative Book value.

If and only if the recoverable amount of an asset or of the CGU is lower than its Book value, the latter must be reduced to the recoverable amount, configuring an impairment loss.

Intangible assets

Pursuant to IAS 36, the Bank is required to perform an impairment test at least once a year, irrespective of the presence of impairment indicators, on the following assets:

- intangible assets with an indefinite useful life (including goodwill);
- intangible assets not yet available for use (including those in progress).

Other intangible assets (e.g. those with a defined useful life such as "core deposits" acquired in a business combination) must be subject to an impairment test only if there is an indicator of impairment.

In this regard, the impairment indicators to be considered for intangible assets are those defined by paragraph 12 of IAS 36. Specific impairment indicators for intangible assets (and in particular for goodwill) may occur, for example, in the event of actual results significantly below budget forecasts (which suggests a downward revision of the projections used for the test) or in the event of an increase in the discount rate or a reduction in the long-term growth rate.

Intangible assets with a definite useful life, such as any value of the asset management portfolio acquired as part of business combinations, in the presence of impairment indicators are subject to a new assessment process to verify the recoverability of the values recorded in the financial statements. The recoverable amount is determined on the basis of the value in use, i.e. the present value, estimated using a rate representative of the time value of money and the risks specific to the asset, the profit margins generated by the relationships existing at the date of the valuation over a time horizon expressing the expected residual duration of the same.

Intangible assets with an indefinite useful life, represented mainly by goodwill, as mentioned above, are tested annually for impairment. As there are no independent cash flows, the impairment test is carried out for the above mentioned assets with reference to the Cash Generating Unit (CGU) to which the values have been attributed.

The CGU represents the smallest identifiable group of assets generating cash inflows (revenues) that are largely independent of the flows generated by other assets or groups of assets. It identifies the lowest possible level of aggregation of assets provided that it is, at that level, possible to identify cash inflows that are objectively independent and autonomous from other assets.

Once the CGUs have been identified, it is necessary to determine their recoverable amount, which will be compared with their Book value in order to quantify any impairment. The recoverable amount is defined as the greater of:

- value in use;
- the fair value less costs to sell.

IAS 36 at para. 19 states that if one of the two values (value in use or fair value less costs to sell) is higher than the Book value of the CGU, it is not necessary to estimate the other.

Value in use represents the present value of future cash flows expected to arise from a CGU. The value in use, therefore, responds to a general logic according to which the value of an asset is a direct expression of the cash flows it is able to generate over the period of its use. The determination of value in use requires an estimate of the expected cash inflows and outflows from the CGU and the appropriate discount rate depending on the level of risk of these flows.

Fair value is the amount obtainable from the sale of an asset or Cash Generating Unit in a free transaction between knowledgeable and independent counterparties. Costs to sell include those directly associated with the potential sale (e.g. legal fees).

A "CGU" is written down when its book value is higher than its recoverable amount. In essence, an asset or CGU needs to be written down because it is impaired, either because the cash flows that will be generated from the use of the asset are not sufficient to recover the book value of the asset, or because the asset would be sold for less than its book value.

15.6 Business combinations

A business combination consists of the bringing together of companies or company activities into a single entity required to prepare financial statements.

A business combination may give rise to an investment link between the parent company (acquirer) and subsidiary (acquiree). A business combination may also make provision for the purchase of the net assets of another company, including any goodwill, or the acquisition of the capital of another company (mergers and contributions).

Based on the provisions of IFRS 3, business combinations must be accounted for by applying the purchase method which envisages the following phases:

- identification of the purchaser;
- determination of the cost of the business combination;
- allocation, at the acquisition date, of the cost of the business combination to the assets acquired and liabilities assumed, including therein any contingent liabilities.

In particular, the cost of a business combination is determined as the sum of the fair value, at the date of the exchange, of the assets transferred, the liabilities incurred or assumed and the equity instruments issued, in exchange for control of the acquiree augmented by any cost directly attributable to the business combination.

The acquisition date is the date on which control of the business acquired is effectively obtained. When the acquisition is carried out via a single exchange, the exchange date coincides with the acquisition date.

When the business combination is achieved through several exchange transactions:

- the cost of the combination is the total cost of the individual transactions;
- the exchange date is the date of each exchange transaction (i.e. the date on which each investment is recognised in the financial statements of the acquiring company), while the acquisition date is the date on which control of the business acquired is obtained.

The cost of a business combination is allocated by recognising the identifiable assets, liabilities and contingent liabilities of the acquiree at the associated fair values at the acquisition date.

The identifiable assets, liabilities and contingent liabilities of the acquiree are recognised separately at the acquisition date only if, at said date, they satisfy the following criteria:

- in the event of an asset other than an intangible asset, it is likely that any future related economic benefits flow to the purchaser and it is possible to reliably measure its fair value;
- in the event of a liability other than a contingent liability, it is likely that, to extinguish the obligation, the use of resources aimed at generating economic benefits will be necessary and it is possible to reliably measure its fair value;
- in the event of an intangible asset or a contingent liability, the relevant fair value can be reliably measured.

The positive difference between the cost of the business aggregation and the purchaser's interest at the net fair value of the identifiable assets, liabilities and contingent liabilities must be accounted for as goodwill.

Following initial recognition, the goodwill acquired in a business combination is measured at the relevant cost, and is subject to an impairment test at least annually. In the event of a negative difference, a new measurement is performed. This negative difference, if confirmed, is booked immediately as revenue in the Income Statement.

15.7 Accruals and deferrals

Accruals and deferrals that include expenses and income pertaining to the period accrued on assets and liabilities are booked to the financial statements as an adjustment to the assets and liabilities to which they refer.

15.8 Own shares

Any own shares held are deducted from equity. Similarly, the original cost of the same and the profits or losses arising from their subsequent sale are recognised as movements in equity.

15.9 Payments based on shares

This case does not apply to the Bank, as it does not have a "stock option plan" in place on bank-issued shares.

15.10 Transfer of the "Tax bonus" tax credit - Law no. 77 of 17 July 2020

As known, Law no. 77 of 17 July 2020, converting, with amendments, to the Relaunch Decree law, has strengthened tax deductions for seismic and energy upgrade interventions on national real estate assets, granting taxpayers the possibility of opting for the conversion of the tax deduction into a tax credit that can be transferred to third parties, mainly to credit institutions and suppliers.

Since the conversion into law of the "Relaunch Decree", the tax deductions arising from construction works have undergone significant changes, both in terms of the procedure for exercising the option of sale or discount on the invoice as well as in terms

of the time period within which the expenses are incurred, intended to restrict the scope of application of the Superbonus and the so-called “minor” bonuses and their transferability. The legislative changes present in Decree Law no. 39/2024, among other things, limit the possibility to offset the tax credits already held by Banks, including for acquisitions of previous tax credits, due to the exclusion from 1 January 2025 of the components related to pension contributions, social/assistance contributions, and premiums for insurance against occupational injuries and illnesses. Furthermore, they prohibit the possibility to sell the tax credits that the Banks purchased from their customers at a price below 75% of their nominal value.

Therefore, we believe that following the legislative changes, there will be a progressive reduction of transfers to credit institutions.

On the basis of the information available during preparation of the Separate Financial Statements at 31 December 2024, the Bank has estimated a current and prospective fiscal capacity that would make it possible to autonomously offset in later years all tax credits present in the portfolio at the reporting date. The Bank did not purchase credits at a price lower than 75% of their value.

In relation to the accounting classification to be adopted in the financial statements of the assignee, there is no single reference framework for the particular and new characteristic of the instrument in question. In particular, the present case:

- does not fall within the scope of IAS 12 “Income taxes” as it cannot be assimilated to taxes that affect the ability of the company to produce income;
- does not fall within the scope of the definition of government grants according to IAS 20 “Accounting for government grants and disclosure of government assistance” as the ownership of the receivable from the tax authorities arises only after payment of a consideration to the transferor;
- is not attributable to the provisions of IFRS 9 “Financial instruments” as the tax credits purchased do not originate from a contract between the assignee and the Italian State;
- is not attributable to IAS 38 “Intangible assets”, as the tax credits in question can be considered monetary assets, allowing the payment of tax payables usually settled in cash.

The tax credit in question therefore represents a case not explicitly dealt with by an IAS/IFRS accounting standard, and as such requires reference to the provisions of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and in particular the need for the reporting entity to define an accounting treatment that reflects the economic substance and not merely the form of the transaction and that is neutral, prudent and complete.

The approach followed, with particular reference to the application of the accounting standard IFRS9, is the one identified both by the Italian Accounting Body (OIC) and by the Bank of Italy/Consob/IVASS Document no. 9 (“Accounting treatment of tax credits related to the “Cura Italia” and “Rilancio” Decree Laws acquired following their transfer by direct beneficiaries or previous purchasers”). Tax credits are, in fact, substantially similar to a financial asset in that they can be used to offset a debt usually paid in cash (tax debts), as well as being exchanged for other financial assets. The condition to be met is that the same tax credits may be framed in a business model of the entity. The Bank includes tax credits in the hold-to-collect business model, as the intention is to hold these receivables until maturity.

In this sense, the following can be established:

- at the time of initial recognition, the fair value of the tax credit is equal to the purchase price of the receivables included in the transaction;
- in the fair value hierarchy envisaged by IFRS 13, the fair value level is similar to level 3, as there are currently no active markets or comparable transactions;
- the purchase price of tax receivables is affected by both the time value of money and the ability to use it within the relative time limit;
- the subsequent accounting of financial assets takes place at amortised cost, through the use of an effective interest rate determined at the origin, so that the discounted cash flows associated with the expected future offsetting, estimated over the expected duration of the receivable tax, equal the purchase price of the same receivables;

- using the amortised cost method, the cash flow estimates are periodically reviewed and the gross book value of the financial asset is adjusted to reflect the actual and restated cash flows. In making these adjustments, the new cash flows are discounted at the original effective interest rate. This accounting therefore makes it possible to recognise the income during the life of said tax credit, as well as to immediately recognise any losses of the transaction;
- if the estimates regarding the use of the tax credit are revised through offsetting, the gross book value of the tax credit is adjusted to reflect the estimated, actual and restated uses. This also includes the breakdown into ten annual instalments of the residual credits arising from the transfer or invoice discount relating to the deductions due for certain building works;
- SPPI test: The mechanism of compensation in annual portions ensures that the test is passed because each portion offset is assimilated to a constant cash flow, which includes a principal and an implicit interest rate (French amortisation), where the interest rate is determined on the basis of an internal rate of return of the transaction determined at the origin and no longer modified;
- taking into account the special characteristics of these tax credits, held with the aim of using them until they are completely offset, within the time period allowed, with the payments of debts payable through F24, as mentioned above, the Cassa Centrale Group attributes the tax credits to the Hold To Collect (HTC) business model. This consideration consistently holds true if the acquisitions of the Assignee Bank fall within the limits of the ceiling and in the event of signing transfer contracts with counterparties belonging to the Group.

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

The Bank has not performed any transfer between the portfolios of the financial instruments during the current year. Thus the compilation of the envisaged tables is omitted.

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

The Bank has nothing to report for the year covered by these financial statements.

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

The Bank has nothing to report for the year covered by these financial statements.

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

The Bank did not make any changes to the business model and effective interest rate during 2024.

A.4 – Information on fair value

The accounting standard IFRS 13 defines fair value as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The “Fair value policy” of the Cassa Centrale Group has defined the principles and methods for determining the fair value of financial instruments and the criteria for determining the so-called “fair value hierarchy”.

A fair value measurement assumes that the sale of the asset or the transfer of the liability takes place:

- in the main market for the asset or liability;
- in the absence of a main market, in the most advantageous market for the asset or liability.

In the absence of a main market, all reasonably available information is taken into consideration in order to identify an active market among the available markets where the fair value of an asset/liability can be measured: in general, a market is active in relation to the number of contributors and the type of the same (dealer, market maker), the frequency of price updating and deviation, the presence of an acceptable bid-offer spread. These prices are immediately executable and binding and express the actual and regular levels of exchange on the valuation date.

In order to identify these markets, the Bank has equipped itself with tools to monitor whether or not a market can be considered active, in particular with regard to bonds, shares and funds.

In this respect, in general, a financial instrument is considered to be quoted on an active market if prices are readily and regularly available, are immediately executable and binding and represent actual market transactions that occur regularly in normal trading on a regulated market or Multilateral Trading Facilities (MTFs).

The presence of official prices in an active market is the best evidence of fair value; these prices therefore represent the prices to be used in priority for fair value measurements.

In the absence of an active market, fair value is determined using prices recorded on non-active markets, valuations provided by info providers or techniques based on internal valuation models which are described in the Group’s internal regulations.

When using such models, the use of relevant observable inputs shall be maximised where possible and the use of non-observable inputs shall be minimised. Observable inputs refer to prices formed within a market and used by market participants in determining the exchange price of the financial instrument being valued. This includes prices of the same asset/liability in a non-active market, parameters supported and confirmed by market data and valuation estimates based on daily observable inputs.

The non-observable inputs, on the other hand, are those not available on the market, processed on the basis of assumptions that the operators/assessors would use in determining the fair value for the same instrument or similar instruments of the same type.

IFRS 13 defines a fair value hierarchy that classifies the inputs of the valuation techniques adopted to measure fair value into three distinct levels. In particular, there are three levels of fair value:

- Level 1: fair value is determined on the basis of quoted prices observed on active markets. The Bank has equipped itself with tools to identify and monitor whether or not a market can be considered active with regard to bonds, shares and funds. A financial instrument is considered to be listed on an active market if prices are readily and regularly available, are immediately executable and binding and represent actual market transactions that occur regularly in normal trading on a regulated market or Multilateral Trading Facilities (MTF). For example, the following are classified at this level of fair value:
 - bonds listed on Bloomberg MTF and valued with composite prices or, limited to Italian government securities, with MOT reference price;

- shares and ETFs listed on markets where in the last five sessions the volumes traded are not zero and the prices recorded are not identical;
- UCITS mutual funds, i.e. undertakings for collective investment in transferable securities.

■ Level 2: fair value is determined on the basis of valuation techniques that envisage:

- reference to market values that do not reflect the stringent active market requirements envisaged for Level 1;
- valuation models using inputs observable on active markets. More specifically, with regard to financial instruments for which it is not possible to identify a fair value in active markets, the Bank refers to prices in markets where the stringent requirements of the active market are not met or to valuation models - also developed by info providers - aimed at estimating the price at which a regular sale or transfer of a liability between market participants would take place on the valuation date. These models for determining fair value (e.g. discounting cash flow model, option pricing models) include the representative risk factors that condition the valuation of a financial instrument (cost of money, credit risk, volatility, exchange rates, etc.) and that are observed in active markets such as:
 - the prices of similar financial assets/liabilities;
 - interest rates and yield curves observable at commonly quoted intervals;
 - implied volatility;
 - credit spread;
 - inputs corroborated by the market based on observable market data.

The fair value thus determined is assigned a level of 2. Some examples of securities classified at this level are:

- non-governmental bonds for which a price is available on a non-active market;
- securities for which the valuation is provided by a third party provider using inputs observable on active markets;
- securities for which valuation is provided using internal models based on inputs observable on active markets (e.g. bonds measured at fair value option);
- shares that are not listed on an active market;
- OTC (Over the counter) financial derivatives concluded with institutional counterparties measured mainly through observable market data.

■ Level 3: the estimate of fair value is carried out using valuation techniques that make significant use of inputs that are not observable on the market and assumptions made by operators using historical evidence or statistical assumptions. Where present, as examples, the following are classified at this level:

- unlisted minority equity investments;
- insurance investment products;
- unlisted non-UCITS funds;
- junior securitisation securities;
- unlisted Additional Tier 1 bonds.

The classification of fair value is a figure that may vary over the life of a financial instrument. Consequently, it is necessary to verify on an ongoing basis the significance and observability of market data in order to proceed with any change in the level of fair value attributed to an instrument.

Qualitative information

A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

In the absence of an active market, fair value is determined using valuation techniques appropriate to the circumstances. Below is an illustration of the main valuation techniques adopted for each type of financial instrument, where an internal valuation model is used to determine fair value.

The internal valuation models are reviewed periodically to ensure their full and constant reliability and are updated to the most up-to-date techniques used on the market.

Unlisted bonds not contributed by info providers issued by Italian banks

The procedure for estimating the fair value of bonds is based on a discounted cash flow model.

The yield curve used in the discounting is constructed from liquid bonds, with the same seniority and currency of the instrument being valued, issued by companies belonging to the same sector and with a similar rating class.

As part of the fair value measurement of bonds issued by the issuer, the estimate of fair value takes into account changes in the issuer's creditworthiness. In particular, for securities issued by Affiliated Banks of the Cassa Centrale Banca Cooperative Banking Group or other cooperative credit banks, the rating class is determined on the basis of the rating assigned to the senior unsecured/senior preferred liabilities of the related Parent Company. Changes in the rating may also lead to changes in the fair value calculated according to the characteristics of the security and the discount curve used based on the level of seniority of the bond.

Given the predominant use of observable inputs, the fair value is classified at level 2, except in some cases where the fair value is set at level 3 since the inputs used are not observable due to the special characteristics of the issue (senior non-preferred or Tier 2 subordinate securities exchanged between companies of the bank group, for example).

Derivatives

The fair value of OTC derivatives, for which there is no price quoted on regulated markets, is determined using different quantitative models depending on the type of instrument. In detail, for non-optional instruments the valuation techniques adopted belong to the discount cash flow model category (e.g. interest rate swaps, FX swaps). For instruments of an optional rate nature, the Black model is used.

The models are supplied using market-observable inputs such as rate curves, exchange rates and volatility.

With regards to the determination of the fair value of OTC derivatives in balance sheet assets, IFRS 13 confirmed the rule of applying the credit valuation adjustment - CVA. With regard to financial liabilities represented by OTC derivatives, IFRS 13 introduces a debt valuation adjustment (DVA), i.e. a fair value adjustment to reflect its own default risk on such instruments.

The Bank therefore considered it reasonable not to recognise a correction in the fair value of derivatives for CVA and DVA in the cases in which agreements had been made and remained operative for collateralisation of the positions in derivatives with the following characteristics:

- a bilateral exchange of guarantees with a high frequency (daily or at the most weekly);
- the type of guarantee provided in cash or highly liquid government securities with a high credit rating, subject to an appropriate spread;
- absence of a threshold of the fair value of the derivative under which an exchange of guarantees is not required or setting the level to such a threshold which is adequate to allow for effective and significant mitigation of the counterparty risk;
- MTA - minimum transfer amount (that is the difference between the fair value of the contract and the value of the guarantee) under which there is no adjustment of the collateralisation of the positions, identified contractually at a level that allows for essential mitigation of the counterparty risk.

Unlisted minority equity investments

The main valuation methods adopted by the Bank, in accordance with the provisions of IFRS 13, in the valuation of unlisted minority equity investments are set out below:

- market methodologies (market approach): these are based on the idea of comparability with other market participants assuming that the value of an asset can be determined by comparing it to similar assets for which market prices are available. In particular, in practice, two reference sources of market prices are taken into account: stock market prices in active markets and observable information from merger transactions, acquisition or sale of share packages (direct transaction method, transaction multiples, market multiples);
- income approach: these are based on the assumption that future cash flows (e.g. cash flows or dividends) are convertible into a single (discounted) current value. In particular, the main methodologies that fall into this category include i) discounted cash flow (DCF); ii) dividend discount model (DDM); iii) appraisal value;
- adjusted net asset value or ANAV: this method is based on the principle of expressing, at current values, the individual elements of the assets (represented, essentially, by equity investments, whether controlling or not) and liabilities with the emergence also of any items not recorded in the financial statements. This method is normally used to determine the economic value of holding companies and investment companies whose value is closely related to the portfolio of equity investments held.

In accordance with the provisions of IFRS 13, the Bank verifies, depending on the specific case, whether it is necessary to apply certain adjustments to the economic value resulting from the application of the aforementioned valuation methods to determine the fair value of the investment under analysis (e.g. liquidity discount, control premium, minority discount).

The choice of valuation approach is left to the judgement of the valuer as long as it favours, compatibly with the available information, methodologies that maximise the use of observable inputs on the market and minimise the use of non-observable inputs.

Lastly, it should be noted that the Bank uses the net asset value or cost method (as a proxy for fair value) for minority interests below certain materiality thresholds for which no fair value measurement based on the aforementioned methods is available, based on specific parameters defined within the Fair Value Policy approved by the Board of Directors.

Unlisted mutual investment funds

Mutual investment funds such as unlisted real estate funds, private equity funds and alternative investment funds (hereinafter also referred to as 'AIFs') are characterised by a portfolio of assets generally valued with subjective inputs and provide for the redemption of the subscribed portion only at a certain maturity.

These funds are measured using the net asset value (NAV) corrected, where necessary, by a discount factor associated with a "liquidity premium" determined using an internal model.

For the above reasons, the net asset value (NAV) determined in this way and used as a fair value estimation technique is considered to be level 3.

Loans and receivables

The fair value measurement of loans mainly takes place in cases where the relationship fails the SPPI test (as set forth in IFRS 9) or in cases of hedge accounting or application of the fair value option.

The valuation method consists of discounting the contractual cash flows net of the expected loss calculated in accordance with the provisions of the IFRS 9 model used to estimate value adjustments.

With reference to loans to customers and banks, recorded under financial assets measured at amortised cost, the fair value of which is provided for disclosure purposes, it should be noted that the fair value of short-term or revocable loans has been conventionally assumed to be equal to the carrying amount.

With regard to non-performing positions - except for situations in which, given the presence of objective elements deriving from valuations on portfolios and/or specific positions expressed by third parties, the values deriving from such valuations are used - the book value has been assumed as an approximation of fair value.

Unlisted Additional Tier 1 (AT1) subordinated bank securities issued by Affiliated Banks

The procedure for estimating the fair value of Additional Tier 1 securities is based on a discounted cash flow model. The yield curve used in discounting is constructed from liquid bonds, taking into account the seniority of the instrument, the sector and the rating class of the issuer. Taking into account the presence, within the model, of assumptions on the evolution of future cash flows, the fair value thus determined is classified at level 3.

A.4.2 Processes and sensitivities of the valuations

The Bank generally carries out a sensitivity analysis of non-observable inputs, through a stress test on non-observable inputs that are significant for the evaluation of the different types of financial instruments belonging to level 3 of the fair value hierarchy.

On the basis of this analysis, potential changes in fair value are determined, by type of instrument, attributable to plausible changes in non-observable inputs. The sensitivity analysis was developed for the financial instruments for which the valuation techniques adopted made it possible to carry out this exercise.

With reference to insurance investment products, as highlighted above, these are valued on the basis of a calculation model that provides for the discounting of future cash flows expected from the same investment, taking into account financial, demographic and contractual assumptions.

For the above instruments, considering that the financial and demographic assumptions are derived from observable market data (e.g. Italian risk-free interest rate maturity structure with volatility adjustment, ISTAT mortality table, etc.), the sensitivity analysis was carried out with reference to the non-observable inputs underlying the contractual assumptions (relatively less relevant for valuation purposes).

In particular, the sensitivity analysis concerned the spread (obtained by weighting the historical yields of the reference Separate Holding) added to the Euroswap rate in order to determine the functional capitalisation rate to calculate, starting from the last insured capital communicated by the insurance companies, the insured capital at the valuation date. The above analysis was carried out by the Parent Company on a sample of instruments of this type and showed little significant effects on the fair value of the insurance investments resulting from the change in the non-observable inputs under examination, also due to the aforementioned circumstance that the non-observable inputs underlying the contractual assumptions are in relative terms less relevant for valuation purposes.

With reference to the other fair value level 3 instruments, the sensitivity analysis is not produced because the effects deriving from the change in the non-observable inputs are considered not relevant.

A.4.3 Fair value hierarchy

For a description of the fair value hierarchy levels envisaged by the Bank, please refer to paragraph "A.4 - Information on fair value".

With reference to assets and liabilities measured at fair value, classification at the correct level is carried out with reference to the rules and methods set out in internal regulations.

Any transfers to a different level of hierarchy are identified on a monthly basis. The transition from level 3 to level 2 occurs when the relevant parameters used as input to the valuation technique are, at the reference date, observable on the market. The transition from level 2 to level 1 takes place when the presence of an active market, as defined by IFRS 13, has been successfully

verified. The transition from level 2 to level 3 occurs when, at the reference date, several of the significant parameters in determining fair value are not directly observable on the market.

A.4.4 Other information

The Bank does not hold groups of financial assets and liabilities based on its net exposure to market risks or credit risk.

The Bank, with reference to derivatives concluded with financial counterparties with which it stipulated framework netting agreements, availed itself of the possibility to measure the fair value at overall portfolio exposure level in order to take account of the offsetting of counterparty risk.

Quantitative information

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 levels

	31/12/2024			31/12/2023		
ASSETS/LIABILITIES MEASURED AT FAIR VALUE	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	164,375	73,891	28,586	192,971	78,627	45,443
a) financial assets held for trading	-	73,891	-	-	78,627	-
b) financial assets designated at fair value	164,375	-	20,160	164,861	-	19,346
c) other financial assets mandatorily measured at fair value	-	-	8,426	28,110	-	26,097
2. Financial assets measured at fair value through other comprehensive income	1,215,779	-	44,303	923,875	-	19,552
3. Hedging derivatives	-	984	-	-	-	-
4. Tangible assets	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	1,380,155	74,875	72,889	1,116,846	78,627	64,995
1. Financial liabilities held for trading	-	69,507	-	-	77,856	-
2. Financial liabilities designated at fair value	-	-	176,801	-	-	175,647
3. Hedging derivatives	-	11,673	-	-	310	-
Total	-	81,180	176,801	-	78,165	175,647

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

During the year, there were no significant transfers of assets and liabilities between level 1 and level 2 as defined by IFRS 13, para. 93 letter c).

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

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Tangible assets	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. OPENING BALANCES	45,443	-	19,346	26,097	19,552	-	-	-
2. INCREASES	6,029	-	826	5,203	25,112	-	-	-
2.1. Purchases	4,387	-	-	4,387	22,923	-	-	-
2.2. Profit attributed to:	1,608	-	826	782	2,189	-	-	-
2.2.1. Income Statement	1,608	-	826	782	-	-	-	-
- of which capital gains	1,328	-	826	501	-	-	-	-
2.2.2. Equity	-	X	X	X	2,189	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	34	-	-	34	-	-	-	-
3. DECREASES	22,886	-	12	22,874	361	-	-	-
3.1. Sales	-	-	-	-	5	-	-	-
3.2. Repayments	22,426	-	-	22,426	-	-	-	-
3.3. Losses attributed to:	429	-	12	417	356	-	-	-
3.3.1. Income Statement	429	-	12	417	-	-	-	-
- of which capital losses	244	-	12	232	-	-	-	-
3.3.2. Equity	-	X	X	X	356	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	31	-	-	31	-	-	-	-
4. CLOSING BALANCES	28,586	-	20,160	8,426	44,303	-	-	-

Section "2.1 Purchases", related to "Financial assets measured at fair value through other comprehensive income", refers to the value of the share swap between Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidation and Mediocredito Trentino Alto Adige S.p.A..

Item "3.2 Repayments" mainly refers to the closure of credit exposures with the subsidiaries Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidazione and Centrale Soluzioni Immobiliari S.r.l. respectively following the conclusion of the liquidation procedure of the subsidiaries.

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

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. OPENING BALANCES	-	175,647	-
2. INCREASES	-	6,939	-
2.1 Emissions	-	-	-
2.2. Losses attributed to:	-	6,939	-
2.2.1. Income Statement	-	6,939	-
- of which capital losses	-	6,939	-
2.2.2. Equity	X	-	-
2.3. Transfers from other levels	-	-	-
2.4. Other increases	-	-	-
3. DECREASES	-	5,785	-
3.1. Repayments	-	5,785	-
3.2. Repurchases	-	-	-
3.3. Profit attributed to:	-	-	-
3.3.1. Income Statement	-	-	-
- of which capital gains	-	-	-
3.3.2. Equity	X	-	-
3.4. Transfers to other levels	-	-	-
3.5. Other decreases	-	-	-
4. CLOSING BALANCES	-	176,801	-

At the end of the reporting period, the Bank holds liabilities measured at fair value on a recurring basis (Level 3) relating to the funding from the Affiliated Banks of readily available financial funds to establish the “ex ante portion” of the cross-guarantee, as illustrated in Annex A to these Explanatory Notes.

A.4.5.4 Assets and liabilities which are not measured at fair value or which are measured at fair value on non-recurring basis: breakdown by fair value levels

ASSETS AND LIABILITIES WHICH ARE NOT MEASURED AT FAIR VALUE OR WHICH ARE MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	31/12/2024				31/12/2023			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	9,864,761	3,798,848	84,920	5,967,731	16,320,274	2,130,964	109,090	14,012,903
2. Tangible assets held for investment purposes								
3. Non-current assets and groups of assets held for disposal								
Total	9,864,761	3,798,848	84,920	5,967,731	16,320,274	2,130,964	109,090	14,012,903
1. Financial liabilities measured at amortised cost	10,434,831	541,571	303,296	9,606,704	16,513,451	544,366	203,103	15,786,215
2. Liabilities associated with assets held for disposal								
Total	10,434,831	541,571	303,296	9,606,704	16,513,451	544,366	203,103	15,786,215

Key:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

For more information about the valuation techniques and inputs used, refer to the wider discussion in the qualitative part of this section.

A.5 – Information on day one profit/loss

A.5 - Information on “day one profit/loss”

“DAY ONE PROFIT/LOSS”	
1. Opening balances	1,079
2. Increases	-
2.1 New operations	-
3. Decreases	(241)
3.1 Income statement releases	(241)
4. Closing balances	837

In accordance with IFRS 9, the initial recognition of the financial instruments must be at fair value. Normally, the fair value of a financial instrument at initial recognition coincides with the “transaction price”, which in turn is equal to the amount paid for financial assets or the amount received for financial liabilities.

In residual cases where the fair value of a financial instrument does not coincide with the “transaction price”, it is necessary to estimate the fair value through the use of valuation techniques. The “day one profit/loss” disclosure included in this section refers to any differences between the transaction price and the fair value obtained by using valuation techniques, which emerge at the moment of first-time recognition of a financial instrument and are not immediately booked to the income statement, based on the provisions of paragraph B5.1.2 A of IFRS 9.

With regard to the above, pursuant to IFRS 7 paragraph 28, the Bank does not recognise a profit or loss on initial recognition of the financial asset or financial liability because the fair value is not evidenced by a listed price in an active market for an identical asset or liability (i.e. a Level 1 input) nor is it based on a valuation technique that uses only observable data (see paragraph B5.1.2 A of IFRS 9).

The difference between the fair value at the time of initial recognition and the transaction price reflects a change in the factors (including time) that market participants would take into account in determining the price of the asset or liability (see paragraph B5.1.2.A A, letter B) of IFRS 9).

Cassa Centrale only presents one day one loss originating from the T2 bond issued by the subsidiary Cassa Padana during 2020.

The issue has a fair value level of 3, since the valuation model for this financial instrument does not exclusively use inputs that can be observed on the market. At 31 December 2023, day one loss amounted to EUR 1,079,568. In 2024 there was day one loss absorption for EUR 241 thousand.

PART B - Information on the balance sheet

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

	Total 31/12/2024	Total 31/12/2023
a) Cash	215,782	214,085
b) Current accounts and demand deposits at central banks	5,361	3,500
c) Current accounts and demand deposits at banks	33,798	46,587
Total	254,940	264,172

The sub-item “Cash” includes foreign currencies for a value equal to EUR 7,537 thousand.

The sub-item “Deposits on demand at central banks” includes liquidity – constituting part of the “ex ante portion” of the cross-guarantee – deposited on the dedicated Bank of Italy account.

For further details, please refer to the Annex “Report on the Guarantee Scheme” as at 31 December 2024.

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

2.1 Financial assets held for trading: breakdown by category

ITEMS/VALUES	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
A. CASH ASSETS						
1. Debt securities	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equities	-	-	-	-	-	-
3. UCITS units	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repos	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	-	-	-	-	-	-
B. DERIVATIVE INSTRUMENTS						
1. Financial derivatives	-	73,891	-	-	78,627	-
1.1 trading	-	73,891	-	-	78,627	-
1.2 connected to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 connected to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	-	73,891	-	-	78,627	-
Total (A+B)	-	73,891	-	-	78,627	-

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

Item "B. Derivative instruments - 1. Financial derivatives – 1.1 For trading" includes interest rate swaps and forwards vis-à-vis primary market institutions and balanced with specular but opposite transactions with affiliated banks.

The change in the value compared to the previous year mainly derives from the decrease in the mark to market.

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

ITEMS/VALUES	Total 31/12/2024	Total 31/12/2023
A. CASH ASSETS		
1. Debt securities	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which: insurance companies	-	-
e) Non-financial corporations	-	-
2. Equities	-	-
a) Banks	-	-
b) Other financial corporations	-	-
of which: insurance companies	-	-
c) Non-financial corporations	-	-
d) Other issuers	-	-
3. UCITS units	-	-
4. Loans	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which: insurance companies	-	-
e) Non-financial corporations	-	-
f) Households	-	-
Total (A)	-	-
B. DERIVATIVE INSTRUMENTS	-	-
a) Central counterparties	-	-
b) Other	73,891	78,627
Total (B)	73,891	78,627
Total (A+B)	73,891	78,627

2.3 Financial assets designated at fair value: breakdown by category

ITEMS/VALUES	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. DEBT SECURITIES	164,375	-	20,160	164,861	-	19,346
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	164,375	-	20,160	164,861	-	19,346
2. LOANS	-	-	-	-	-	-
2.1 Structured	-	-	-	-	-	-
2.2 Other	-	-	-	-	-	-
Total	164,375	-	20,160	164,861	-	19,346

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

The item “1. Debt securities – Other debt securities” includes the investments constituting part of the “ex ante portion” of the cross-guarantee: the composition of the investments of the “ex ante portion” established through the loan for as at 31 December 2024 is shown below:

- Government securities of EUR 164,375 thousand;
- Subordinated debt securities deriving from support interventions of EUR 20,160 thousand.

For further details, please refer to the Annex “Report on the Guarantee Scheme” as at 31 December 2024.

2.4 Financial assets designated at fair value: breakdown by debtors/issuers

ITEMS/VALUES	Total 31/12/2024	Total 31/12/2023
1. DEBT SECURITIES	184,535	184,207
a) Central Banks	-	-
b) General governments	164,375	164,861
c) Banks	20,160	19,346
d) Other financial corporations	-	-
of which: insurance companies	-	-
e) Non-financial corporations	-	-
2. LOANS	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which: insurance companies	-	-
e) Non-financial corporations	-	-
f) Households	-	-
Total	184,535	184,207

2.5 Other financial assets mandatorily measured at fair value: breakdown by category

ITEMS/VALUES	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. DEBT SECURITIES	-	-	23	-	-	23
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	23	-	-	23
2. EQUITIES	-	-	-	-	-	-
3. UCITS UNITS	-	-	3,094	28,110	-	693
4. LOANS	-	-	5,310	-	-	25,381
4.1 Repos	-	-	-	-	-	-
4.2 Other	-	-	5,310	-	-	25,381
Total	-	-	8,426	28,110	-	26,097

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

The sub-item “1.2. Other debt securities” includes the following securities related to securitisation transactions:

- mezzanine totalling EUR 11 thousand;
- junior of EUR 12 thousand.

Loans include those obligatorily measured at fair value following the failure of the SPPI Test.

In sub-item “3. UCITS units”, the decrease compared to 31 December 2023 is due to the sales carried out in 2024 of the NEF securities for EUR 28,110 thousand.

In sub-item “4. Loans”, the reduction is mainly due to the closure of the loan in the current account held by Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidazione of EUR 15,000 thousand – following its liquidation and extinguishment – and that of Centrale Soluzioni Immobiliari S.r.l. – still in liquidation – for EUR 5,990 thousand.

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

	Total 31/12/2024	Total 31/12/2023
1. EQUITY SECURITIES	-	-
of which: banks	-	-
of which: other financial corporations	-	-
of which: non-financial corporations	-	-
2. DEBT SECURITIES	23	23
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	23	23
of which: insurance companies	-	-
e) Non-financial corporations	-	-
3. UCITS UNITS	3,094	28,803
4. LOANS	5,310	25,381
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	2,826	15,086
of which: insurance companies	-	-
e) Non-financial corporations	2,426	10,227
f) Households	57	68
Total	8,426	54,207

The item “UCITS units” is composed of the following main categories of funds:

- bonds totalling EUR 1,603 thousand;
- stocks totalling EUR 917 thousand;
- real estate of EUR 574 thousand.

For details on the changes compared to the previous period, please refer to the information provided at the end of table “2.5 Other financial assets mandatorily measured at fair value: breakdown by category”.

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 category

ITEMS/VALUES	Total 31/12/2024			Total 31/12/2023		
	L1	L2	L3	L1	L2	L3
1. DEBT SECURITIES	1,215,361	-	-	923,297	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	1,215,361	-	-	923,297	-	-
2. EQUITIES	418	-	44,303	578	-	19,552
3. LOANS	-	-	-	-	-	-
Total	1,215,779	-	44,303	923,875	-	19,552

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

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

ITEMS/VALUES	Total 31/12/2024	Total 31/12/2023
1. DEBT SECURITIES	1,215,361	923,297
a) Central Banks	-	-
b) General governments	1,060,993	906,579
c) Banks	154,368	2,321
d) Other financial corporations	-	5,037
of which: insurance companies	-	-
e) Non-financial corporations	-	9,361
2. EQUITIES	44,721	20,130
a) Banks	31,511	7,904
b) Other issuers:	13,211	12,226
- other financial corporations	7,079	7,376
of which: insurance companies	2,500	2,500
- non-financial corporations	6,132	4,850
- other	-	-
3. LOANS	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
of which: insurance companies	-	-
e) Non-financial corporations	-	-
f) Households	-	-
Total	1,260,082	943,427

In sub-item 1. Debt securities – c) Banks, the increase for EUR 152,047 thousand refers to transactions with leading market counterparties.

In sub-item 2. Equity securities – a) Banks, the increase on the previous year is attributable to the value of the share swap between Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidazione and Mediocredito Trentino Alto Adige S.p.A.

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

Stage 1	Gross value					Writedowns				Total partial write-offs*
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Debt securities	1,215,665	-	-	-	-	304	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31/12/2024	1,215,665	-	-	-	-	304	-	-	-	-
Total 31/12/2023	923,487	-	-	-	-	190	-	-	-	-

Value to be displayed for information purposes

The division by stage of risk of financial assets measured at fair value through other comprehensive income is applied in compliance with the provisions of the impairment model in application of IFRS 9.

For more detailed information, please refer to Part A – Accounting policies in paragraph “15.5 Methods of recognition of impairment losses” and Part E – “Information on risks and related hedging policies”.

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

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

TYPE OF TRANSACTIONS/VALUES	Total 31/12/2024					
	Book value			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
A. LOANS TO CENTRAL BANKS	636,797	-	-	-	-	636,797
1. Fixed-term deposits	-	-	-	X	X	X
2. Compulsory reserve	636,797	-	-	X	X	X
3. Repos	-	-	-	X	X	X
4. Others	-	-	-	X	X	X
B. LOANS TO BANKS	2,741,139	-	-	157,068	83,412	2,531,317
1. Loans	1,786,109	-	-	-	-	1,786,109
1.1 Current accounts	-	-	-	X	X	X
1.2. Fixed-term deposits	695,941	-	-	X	X	X
1.3. Other loans:	1,090,168	-	-	X	X	X
- Repos receivables	-	-	-	X	X	X
- Financing for leases	-	-	-	X	X	X
- Other	1,090,168	-	-	X	X	X
2. Debt securities	955,030	-	-	157,068	83,412	745,208
2.1 Structured securities	-	-	-	-	-	-
2.2 Other debt securities	955,030	-	-	157,068	83,412	745,208
Total	3,377,936	-	-	157,068	83,412	3,168,114

Sub-item 1.3 "Other loans: other" contains securitised financing operations of the affiliated banks for EUR 1,083,039 thousand. The change since 2023 is due to the extinguishment for a value of approximately 9 billion in TLTRO-III refinancing operations reaching maturity.

Item 2.2 "Other debt securities" includes EUR 713,788 thousand securities issued by the BCCs and subscribed by the Parent Company following the eligible MREL issue.

TYPE OF TRANSACTIONS/VALUES	Total 31/12/2023					
	Book value			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
A. LOANS TO CENTRAL BANKS	572,557	-	-	-	-	572,557
1. Fixed-term deposits	-	-	-	X	X	X
2. Compulsory reserve	572,557	-	-	X	X	X
3. Repos	-	-	-	X	X	X
4. Others	-	-	-	X	X	X
B. LOANS TO BANKS	11,298,800	-	-	261,359	109,090	10,943,937
1. Loans	10,201,357	-	-	-	-	10,201,357
1.1 Current accounts	-	-	-	X	X	X
1.2. Fixed-term deposits	382,303	-	-	X	X	X
1.3. Other loans:	9,819,054	-	-	X	X	X
- Repos receivables	-	-	-	X	X	X
- Financing for leases	-	-	-	X	X	X
- Other	9,819,054	-	-	X	X	X
2. Debt securities	1,097,442	-	-	261,359	109,090	742,580
2.1 Structured securities	-	-	-	-	-	-
2.2 Other debt securities	1,097,442	-	-	261,359	109,090	742,580
Total	11,871,357	-	-	261,359	109,090	11,516,494

KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.2 Financial assets measured at amortised cost: breakdown by category of loans to customers

TYPE OF TRANSACTIONS/ VALUES	31/12/2024						31/12/2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stage 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
1. LOANS	2,787,554	4,176	508	-	-	2,797,637	2,468,721	5,634	-	-	-	2,494,018
1.1. Current accounts	829,078	-	-	X	X	X	885,807	-	-	X	X	X
1.2. Repos receivables	-	-	-	X	X	X	-	-	-	X	X	X
1.3. Mortgage loans	1,727,682	4,176	508	X	X	X	1,422,830	5,634	-	X	X	X
1.4. Credit cards, personal loans and salary-backed loans	-	-	-	X	X	X	-	-	-	X	X	X
1.5. Financing for leases	-	-	-	X	X	X	-	-	-	X	X	X
1.6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
1.7. Other loans	230,794	-	-	X	X	X	160,085	-	-	X	X	X
2. DEBT SECURITIES	3,694,588	-	-	3,641,779	1,508	1,980	1,974,562	-	-	1,869,605	-	2,391
1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2. Other debt securities	3,694,588	-	-	3,641,779	1,508	1,980	1,974,562	-	-	1,869,605	-	2,391
Total	6,482,142	4,176	508	3,641,779	1,508	2,799,617	4,443,283	5,634	-	1,869,605	-	2,496,408

KEY:

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

Loans to customers are shown net of value adjustments from write-downs. Impaired assets include the impaired loans, unlikely to pay and past due exposures according to Bank of Italy Circular no. 272 of 30 July 2008 and subsequent updates. Details of these exposures, the amounts and the breakdown of the value adjustments, are shown in Part E of the Explanatory Notes – Credit quality. The fair value of short-term or revocable receivables was conventionally assumed to be equal to the book value.

For impaired positions, the fair value was deemed to be equal to the net book value, on the basis of the considerations set out in Part A, section “A.4 – Information on fair value”, to which reference is made.

Performing exposures to customers consisted mainly of mortgage loans, which amounted to EUR 1,727,682 thousand and accounted for approximately 62 % of total loans to customers, current accounts receivable of EUR 829,078 thousand and other loans of EUR 230,794 thousand.

The increase in sub-item 1.3 “Mortgage loans” compared to the previous year is mainly attributable to the loans disbursed to instrumental entities of the Group.

Sub-item 1.7 “Other loans” is formed as follows:

- transactions with Cassa Compensazione e Garanzia for EUR 102,843 thousand;
- fixed-term subsidies for EUR 1,664 thousand;
- subsidies repayable in instalments for EUR 125,772 thousand;

- security deposits in own name for EUR 475 thousand;
- other entries totalling EUR 39 thousand.

Item 2. "Debt securities" includes senior securities related to "third party" securitisation transactions (Lucrezia Securitization) for a carrying amount of EUR 77 thousand and Senior securities from own securitisations (Buonconsiglio 3 and 4) for a carrying amount of EUR 1,592 thousand.

4.3 Financial assets measured at amortised cost: breakdown by debtors/issuers of loans to customers

TYPE OF TRANSACTIONS/ VALUES	Total 31/12/2024			Total 31/12/2023		
	Stage 1 and 2	Stage 3	Impaired assets acquired or originated	Stage 1 and 2	Stage 3	Impaired assets acquired or originated
1. DEBT SECURITIES	3,694,588	-	-	1,974,562	-	-
a) General governments	3,691,418	-	-	1,972,440	-	-
b) Other financial corporations	1,669	-	-	2,122	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial corporations	1,500	-	-	-	-	-
2. LOANS TO:	2,787,554	4,176	508	2,468,721	5,634	-
a) General governments	23,553	-	-	22,272	-	-
b) Other financial corporations	1,682,657	-	-	1,346,567	-	-
of which: insurance companies	102,856	-	-	55,946	-	-
c) Non-financial corporations	1,044,543	4,176	508	1,058,925	5,634	-
d) Households	36,801	-	-	40,957	-	-
Total	6,482,142	4,176	508	4,443,283	5,634	-

4.4 Financial assets measured at amortised cost: gross value and writedowns

	Gross value					Writedowns				Total partial write-offs*
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Purchased or originated credit- impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	
Debt securities	4,650,476	-	745	-	-	935	668	-	-	-
Loans	5,163,428	-	80,098	19,222	508	20,633	12,434	15,047	-	4,837
Total 31/12/2024	9,813,904	-	80,843	19,222	508	21,568	13,102	15,047	-	4,837
Total 31/12/2023	16,120,646	-	231,102	25,988	892	18,959	18,149	20,354	892	4,813

Value to be displayed for information purposes

The division by stage of risk of financial assets measured at amortised cost is applied in compliance with the provisions of the impairment model in application of IFRS 9.

For more detailed information on the impairment model, please refer to Part A - Accounting policies in paragraph "15.5 Methods of recognition of impairment losses" and Part E - "Information on risks and related hedging policies".

At 31 December 2024, existing loans that constitute new liquidity granted through public guarantee mechanisms issued in the context of COVID-19 amounted to a total net value of EUR 100,190 thousand and are broken down as follows:

	Gross value					Writedowns			
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Purchased or originated credit- impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired
Newly originated loans	96,782	-	3,196	2,945	-	1,620	478	633	-
Total 31/12/2024	96,782	-	3,196	2,945	-	1,620	478	633	-
Total 31/12/2023	131,189	-	24,723	4,485	-	1,962	2,201	990	-

Section 5 – Hedging derivatives – Item 50

This item features the derivative contracts designated as effective hedging instruments, which at the reference date show a positive fair value.

With regard to hedging transactions, the Bank, for accounting purposes, continues to fully apply the accounting standard IAS 39, as required by the transitional provisions of accounting standard IFRS 9.

With regard to the objectives and strategies underlying hedging transactions, please refer to the information provided in Part E – “Information on risks and related hedging policies”, Section 3 – “Derivatives and hedging policies”.

5.1 Hedging derivatives: breakdown by type of coverage and levels

	Fair Value 31/12/2024			NV 31/12/2024	Fair Value 31/12/2023			NV 31/12/2023
	L1	L2	L3		L1	L2	L3	
A. FINANCIAL DERIVATIVES								
1. Fair Value	-	984	-	131,852	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
3. Foreign investments	-	-	-	-	-	-	-	-
B. CREDIT DERIVATIVES								
1. Fair Value	-	-	-	-	-	-	-	-
2. Cash flows	-	-	-	-	-	-	-	-
Total	-	984	-	131,852	-	-	-	-

KEY:

NV = notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

During the year, derivatives to hedge mortgage loans previously disbursed to instrumental entities of the Group and debt securities were signed.

5.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

TRANSACTIONS / TYPE OF HEDGE	Fair Value							Cash flows			Foreign Investments
	Micro-hedge						Macro-hedge	Micro-hedge	Macro-hedge		
	Debt securities and interest rates	Equities and stock market indices	Currencies and gold	Credit	Commodities	Others					
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-	X	X	X	-	X	X	
2. Financial assets measured at amortised cost	984	X	-	-	X	X	X	-	X	X	
3. Portfolio	X	X	X	X	X	X	-	X	-	X	
4. Other transactions	-	-	-	-	-	-	X	-	X	-	
Total assets	984	-	-	-	-	-	-	-	-	-	
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X	
2. Portfolio	X	X	X	X	X	X	-	X	-	X	
Total liabilities	-	-	-	-	-	-	-	-	-	-	
1. Expected transactions	X	X	X	X	X	X	X	-	X	X	
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-	

This table indicates the positive book values of the hedging derivatives, distinguished between assets or liabilities hedged and the type of hedge.

The amount of the exposure to derivatives is exclusively attributable to interest rate risk.

Section 6 – Fair value change of financial assets in hedged portfolios – Item 60

At the end of the reporting period, there are no financial assets subject to macro-hedging.

Section 7 – Equity investments – Item 70

7.1 Equity investments: information on type of relationship

NAME	Registered office	Operating headquarters	% interest	% Votes available
A. WHOLLY-OWNED SUBSIDIARIES				
Assicura Agenzia S.r.l.	Udine	Udine	100.00%	100.00%
Nord Est Asset Management S.A.	Luxembourg	Luxembourg	100.00%	100.00%
Claris Leasing S.p.A.	Treviso	Treviso	100.00%	100.00%
Allitude S.p.A.	Trento	Trento	96.70%	96.70%
Prestipay S.p.A.	Udine	Udine	100.00%	100.00%
Centrale Soluzioni Immobiliari in Liquidazione S.r.l.	Trento	Trento	100.00%	100.00%
B. JOINTLY CONTROLLED COMPANIES				
C. COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE				
Centrale Trading S.r.l.	Trento	Trento	42.50%	42.50%
Servizi e finanza Friuli Venezia Giulia S.r.l.	Udine	Udine	26.99%	26.99%
Partecipazioni cooperative S.r.l.	Trento	Trento	13.92%	13.92%
Scouting S.p.A.	Bellaria Igea Marina	Bellaria Igea Marina	8.26%	8.26%
Cabel Holding S.p.A.	Empoli	Empoli	7.66%	7.66%
Finanziaria Trentina della cooperazione S.p.A.	Trento	Trento	4.08%	4.08%

7.2 Significant equity investments: book value, fair value and dividends received

This information is included in the section with the same heading in the Consolidated Explanatory Notes.

7.3 Significant equity investments: accounting information

This information is included in the section with the same heading in the Consolidated Explanatory Notes.

7.4 Non significant equity investments: accounting information

This information is included in the section with the same heading in the Consolidated Explanatory Notes.

7.5 Equity investments: annual changes

	Total 31/12/2024	Total 31/12/2023
A. OPENING BALANCES	255,647	242,489
B. INCREASES	15,601	18,242
B.1 Purchases	-	18,242
B.2 Write-backs	-	-
B.3 Revaluations	-	-
B.4 Other changes	15,601	-
C. DECREASES	22,950	5,084
C.1 Sales	22,950	108
C.2 Value adjustments	-	4,976
C.3 Write-downs	-	-
C.4 Other changes	-	-
D. CLOSING BALANCES	248,298	255,647
E. TOTAL REVALUATIONS	-	-
F. TOTAL ADJUSTMENTS	-	-

The main changes in equity investments during the current year with reference to the item "Equity investments" are summarised below:

Sub-item "B.4 Other changes" mainly refers to the capital contribution disbursed in favour of the equity investment in Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidazione during financial year 2024.

Sub-item "C.1 Sales" contains the share swap value of the shares of Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidazione with the shares of Mediocredito Trentino Alto Adige S.p.A., an equity investment classified in the financial assets measured at fair value through comprehensive income.

As required by IAS/IFRS, investments are subject to an impairment test to verify whether there is objective evidence that the carrying amount of the assets in question is not fully recoverable. For investments recognised in the separate financial statements, the process for recognising any impairment involves checking for impairment indicators and the determination of any writedown.

7.6 Commitments referring to equity investments in subsidiaries under joint control

At the reporting date of these financial statements, there are no equity investments in jointly controlled companies.

7.7 Commitments referring to equity investments in companies subject to a significant influence

At the reporting date of these financial statements, there are no equity investments in companies subject to a significant influence.

7.8 Significant restrictions

There are no significant restrictions on the ability of joint ventures or associates to transfer funds to the entity in the form of dividends, loan repayments or advances made by the entity.

Additionally, it should be noted that for Centrale Soluzioni Immobiliari S.r.l., the liquidation process began in December 2024.

7.9 Other information

The liquidation of Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidazione was finalised with the Mediocredito Trentino Alto Adige S.p.A. share swap, with values substantially aligned with the fair value of the equity investment received.

Section 8 – Tangible assets – Item 80

8.1 Tangible assets for business use: breakdown of the assets measured at cost

ASSETS/VALUES	Total 31/12/2024	Total 31/12/2023
1. ASSETS OWNED	14,119	14,124
a) land	5,037	4,239
b) buildings	6,236	7,199
c) furniture	1,307	1,319
d) electronic systems	584	595
e) other	954	773
2. RIGHTS OF USE ACQUIRED THROUGH LEASE	37,157	11,711
a) land	-	-
b) buildings	35,758	10,407
c) furniture	-	-
d) electronic systems	-	-
e) other	1,399	1,305
Total	51,276	25,835
of which: obtained through the enforcement of guarantees received	-	-

For information on operating leases, please refer to the table in this Section “8.6 bis – Right-of-Use Assets”.

The change in category “2. rights of use acquired through lease” compared to the previous financial year is primarily attributable to the signing of a lease contract for the building located in Milan, Viale Pasubio, no. 21, and that in Rome, Piazza Guglielmo Marconi, no. 25.

8.2 Tangible assets held for investment purposes: breakdown of the assets measured at cost

There are no tangible assets held for investment purposes measured at cost.

8.3 Tangible assets for business use: breakdown of the revalued assets

There are no revalued tangible assets for business use.

8.4 Tangible assets held for investment purposes: breakdown of the assets designated at fair value

There are no tangible assets held for investment purposes measured at fair value.

8.5 Inventories of tangible assets disciplined by IAS 2: breakdown

There are no tangible assets disciplined by IAS 2.

8.6 Tangible assets for business use: annual changes

	Land	Buildings	Furniture	Electronic systems	Other	Total
A. GROSS OPENING BALANCES	4,239	31,568	7,421	7,295	9,121	59,643
A.1 Total net impairment	-	13,962	6,103	6,700	7,043	33,808
A.2 NET OPENING BALANCES	4,239	17,606	1,319	595	2,078	25,835
B. INCREASES:	799	28,681	286	291	1,133	31,190
B.1 Purchases	-	28,040	286	291	484	29,101
B.2 Expenditures for capitalised improvements	-	-	-	-	-	-
B.3 Write-backs	-	122	-	-	-	122
B.4 Positive fair value changes charged to	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Transfers from properties held for investment purposes	-	-	X	X	X	-
B.7 Other changes	799	519	-	-	649	1,966
C. DECREASES:	-	4,291	297	302	858	5,748
C.1 Sales	-	584	-	-	10	594
C.2 Depreciation	-	2,889	297	302	848	4,336
C.3 Impairment losses charged to	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative fair value changes charged to	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) tangible assets held for investment purposes	-	-	X	X	X	-
b) non-current assets and groups of assets held for disposal	-	-	-	-	-	-
C.7 Other changes	-	818	-	-	-	818
D. NET CLOSING BALANCES	5,037	41,995	1,307	584	2,353	51,276
D.1 Total net impairment	-	14,314	6,352	6,901	7,139	34,707
D.2 GROSS CLOSING BALANCES	5,037	56,309	7,660	7,484	9,492	85,983
E. Valuation at cost	-	-	-	-	-	-

The item "E. Valuation at cost" is not measured since its compilation is only set for tangible assets measured at fair value in the financial statements, not held by the Bank.

Please see table "8.1 Tangible assets for business use: breakdown of the assets measured at cost" for more details about the most significant new contracts.

For the purpose of determining the useful life of the various categories of assets and the corresponding depreciation rates, tangible assets are depreciated on the basis of the following rates:

Category	Class	Rate
REAL ESTATE	BUILDINGS	3%
	LAND	0%
FURNITURE AND FURNISHINGS	FURNITURE	15%
	LAMINATE WALLS AND CLADDING	8%
	ORDINARY OFFICE FURNITURE AND MACHINES	12%
ELECTRONIC SYSTEMS	ELECTR. OFFICE MACHINES/COMPUTERS	20%
OTHER	ALARM SYSTEMS	30%
	COMMUNICATION EQUIPMENT/TELEPHONY	25%
	PLUMBING	10%
	ELECTRICAL SYSTEM	10%
	ARMOURED COUNTERS	20%
	MACHINERY AND EQUIPMENT	15%
	CARS, MOTORBIKES AND SIMILAR	25%
	LIFTING EQUIPMENT AND MEANS	7.5%

It should be noted that for assets falling within the scope of IFRS16, the right of use amortisation schedule is determined on the basis of the contractual arrangements in the lease agreement.

Below are the annual changes in the rights of use acquired through lease.

8.6 bis Assets by right of use

	Branches	Cars	Land	Real estate for employees	Offices	Warehouses and other areas	Equipment	Others	Buildings	Total 31/12/2024
NET OPENING BALANCES	-	1,305	-	43	10,028	218	-	117	-	11,711
Increases	-	634	-	497	28,040	21	15	-	-	29,207
Decreases in historical cost	-	(288)	-	(12)	(2,911)	(66)	-	(117)	-	(3,394)
Decreases in the provision for depreciation	-	289	-	49	2,439	50	-	-	-	2,827
Depreciation/amortisation	-	(554)	-	(77)	(2,532)	(28)	(3)	-	-	(3,194)
Impairment	-	-	-	-	-	-	-	-	-	-
NET CLOSING BALANCES	-	1,386	-	500	35,064	195	12	-	-	37,157

Item "Increases" includes both the rights of use relating to contracts signed during the year and the positive changes arising from contractual amendments.

At the end of the reporting period, the Bank had not entered into leaseback transactions.

8.7 Tangible assets held for investment purposes: annual changes

There are no tangible assets held for investment purposes.

8.8 Inventories of tangible assets disciplined by IAS 2: annual changes

At the end of the reporting period, there were no such circumstances.

8.9 Commitments for tangible asset purchases

The Bank has no commitments to purchase tangible assets.

Section 9 – Intangible assets – Item 90

9.1 Intangible assets: breakdown by type of asset

ASSETS/VALUES	Total 31/12/2024		Total 31/12/2023	
	Definite useful life	Indefinite useful life	Definite useful life	Indefinite useful life
A.1 GOODWILL	X	-	X	-
A.2 OTHER INTANGIBLE ASSETS	92	-	137	-
of which: software	18	-	27	-
A.2.1 Assets measured at cost:	92	-	137	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	92	-	137	-
A.2.2 Assets designated at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	92	-	137	-

All the Bank's intangible assets are recognised at purchase cost, net of impairment.

No internally generated intangible assets were posted.

9.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: generated internally		Other intangible assets: other		Total
		DEF	INDEF	DEF	INDEF	
A. OPENING BALANCES	-	-	-	10,334	-	10,334
A.1 Total net impairment	-	-	-	10,198	-	10,198
A.2 NET OPENING BALANCES	-	-	-	137	-	137
B. INCREASES	-	-	-	45	-	45
B.1 Purchases	-	-	-	45	-	45
B.2 Increase in internal intangible assets	X	-	-	-	-	-
B.3 Write-backs	X	-	-	-	-	-
B.4 Positive fair value changes	-	-	-	-	-	-
- to equity	X	-	-	-	-	-
- to income statement	X	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. DECREASES	-	-	-	90	-	90
C.1 Sales	-	-	-	-	-	-
C.2 Value adjustments	-	-	-	90	-	90
- Depreciation/amortisation	X	-	-	90	-	90
- Write-downs	-	-	-	-	-	-
+ equity	X	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Negative fair value changes:	-	-	-	-	-	-
- to equity	X	-	-	-	-	-
- to income statement	X	-	-	-	-	-
C.4 Transfers to non-current assets held for disposal	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. NET CLOSING BALANCES	-	-	-	92	-	92
D.1 Total net value adjustments	-	-	-	10,288	-	10,288
E. GROSS CLOSING BALANCES	-	-	-	10,380	-	10,380
F. Valuation at cost	-	-	-	-	-	-

KEY:

DEF = with definite useful life

INDEF = with indefinite useful life

The intangible assets in question were not generated internally and are recognised at purchase cost, net of impairment.

The sub-item "F. Valuation at cost" is not measured since its compilation is only set for intangible assets measured at fair value in the financial statements.

For the purpose of determining the useful life of the various categories of assets and the corresponding depreciation rates, intangible assets with a definite useful life are depreciated on the basis of the following rates:

Category	Class	Rate
MULTI-YEAR CHARGES	Other multi-year charges	20%
	Multi-year advertising	33%
OTHER INTANGIBLE ASSETS	Maintenance costs to be amortised	20%
	Improvements on third-party assets	20%
	Edp procedures	33%

9.3 Intangible assets: other information

In accordance with the requirements of IAS 38, it should be noted that the Bank does not have any:

- impediments to the distribution to shareholders of capital gains on revalued intangible assets, see IAS 38, paragraph 124, letter b);
- established intangible assets to secure its debts, see IAS 38, paragraph 122, letter d);
- outstanding intangible assets acquired by government concession, see IAS 38, paragraph 122, letter c);
- commitments to purchase intangible assets, see IAS 38, paragraph 122, letter e);
- outstanding intangible assets subject to lease operations;
- outstanding allocation of goodwill among the various cash generating units, see IAS 36, paragraph 134, letter a).

Section 10 – Tax assets and tax liabilities – Item 100 of assets and item 60 of liabilities

10.1 Deferred tax assets: breakdown

THROUGH THE INCOME STATEMENT	31/12/2024			31/12/2023		
	IRES	IRAP	TOTAL	IRES	IRAP	TOTAL
Loans	7,274	530	7,804	11,145	987	12,132
Tangible fixed assets	-	-	-	-	-	-
Provisions for risks and charges	6,763	1,072	7,835	6,848	1,035	7,883
Tax losses	-	-	-	-	-	-
Administrative expenses	43	-	43	37	-	37
Other items	-	-	-	-	-	-
Total	14,080	1,602	15,682	18,030	2,022	20,053

THROUGH EQUITY	31/12/2024			31/12/2023		
	IRES	IRAP	TOTAL	IRES	IRAP	TOTAL
Negative reserves for HTCS financial assets	627	186	812	3,730	852	4,582
Severance indemnity	-	-	-	29	-	29
Other items	-	-	-	-	-	-
Total	627	186	812	3,758	852	4,611

The item “Loans” in the table above shows Deferred Tax Assets (or “DTA”) mainly relating to:

- write-downs and losses on loans to customers not yet deducted from taxable income pursuant to paragraph 3 of art.106 of the Consolidated Income Tax Act (TUIR) and art. 6, paragraph 1, letter c-bis) of IRAP Decree no. 446/1997 that may be converted into a tax credit, regardless of the future profitability of the company, both in the event of statutory loss and IRES tax loss or negative IRAP value of production pursuant to Law no.214 of 22 December 2011 (known as Qualified DTAs) of EUR 7,725 thousand (of which DTA from conversion of tax loss for EUR 3,333 thousand). Art. 1, paragraphs 14-16 of Law no. 207 of 30 December 2024 restructures the multi-year plan for the recovery of residual value adjustments on loans not deducted until 31 December 2015. This plan is also associated with the review of the time frame for cancellation of the related deferred taxes. This new development will generate an effect from 2025 and, therefore, the 2024 annual financial statements are not affected by the change to the recovery plan;
- adjustments from the expected credit loss (ECL) model in IFRS 9 FTA on loans to customers that cannot be converted into a tax credit and can therefore only be recognised in the presence of probable and sufficient future taxable income of EUR 78 thousand (Article 1, paragraphs 1067-1069, Law no. 145 of 30 December 2018). Advance taxes, where recognised, correspond to the future benefit relating to the deductibility in subsequent years of the reserve for first-time application of IFRS 9 relating to expected losses recognised on loans to customers. Art. 1, paragraph 17 of Law no. 207 of 30 December 2024 restructures the multi-year plan for the recovery of residual value adjustments on loans not deducted as at 31 December 2018. This new development will generate an effect from 2025 and, therefore, the annual financial statements are not affected by the change to the recovery plan.

In addition, it should be noted that the tax regulations relating to the convertibility of advance taxes relating to adjustments to loans, goodwill and intangible assets into tax credits, in giving “certainty” to the recovery of qualified DTAs, affect the Probability test provided for by IAS 12, making it automatically satisfied for this particular type.

Deferred tax assets as a contra-entry to equity refer to negative valuations of financial assets measured at fair value through other comprehensive income. These changes have a contra-entry in the equity reserve for financial assets measured at fair value through other comprehensive income.

10.2 Deferred tax liabilities: breakdown

THROUGH THE INCOME STATEMENT	31/12/2024			31/12/2023		
	IRES	IRAP	TOTAL	IRES	IRAP	TOTAL
Tangible fixed assets	-	-	-	-	-	-
Capital gains by instalments	-	-	-	-	-	-
Other items	-	-	-	-	-	-
Total	-	-	-	-	-	-

THROUGH EQUITY	31/12/2024			31/12/2023		
	IRES	IRAP	TOTAL	IRES	IRAP	TOTAL
Positive reserves for HTCS financial assets	1,233	496	1,729	96	240	336
Other items	-	-	-	-	-	-
Total	1,233	496	1,729	96	240	336

Deferred taxes as a contra-entry to equity refer to revaluations of financial assets measured at fair value through other comprehensive income. These changes have a contra-entry in the equity reserve for financial assets measured at fair value through other comprehensive income.

10.3 Changes in deferred taxes (through the income statement)

	Total 31/12/2024	Total 31/12/2023
1. OPENING AMOUNT	20,053	20,896
2. INCREASES	3,339	3,931
2.1 Advance taxes recorded in the year	3,339	3,931
a) relating to previous years	-	-
b) due to changed accounting criteria	-	-
c) write-backs	-	-
d) other	3,339	3,931
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. DECREASES	7,710	4,775
3.1 Advance taxes cancelled in the year	4,181	4,775
a) reversals	4,181	4,775
b) write-downs for uncollectable amounts	-	-
c) changed accounting criteria	-	-
d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases:	3,529	-
a) conversion into tax credits under Law no. 214/2011	3,529	-
b) other	-	-
4. CLOSING AMOUNT	15,682	20,053

The net changes in deferred tax assets recognised in the income statement during the year, amounting to EUR 4,371 thousand, derive mainly from the recognition of changes in deferred tax assets referring to:

- loans Law no. 214/2011;
- loans to banks;
- DTA from conversion of tax loss;
- non-deductible provisions for risks and expenses;
- administrative expenses.

The decreases in advance taxes mainly include the discharge of their balance prior to the end of the reporting period and the conversion of the DTAs on receivables pursuant to Law no. 214 of 2023 into tax credits, with consequent reversal to current tax assets.

10.3 bis Changes in deferred taxes according to Law no. 214/2011

	Total 31/12/2024	Total 31/12/2023
1. OPENING AMOUNT	11,712	12,196
2. INCREASES	3,333	3,529
3. DECREASES	7,319	4,013
3.1 Reversals	3,790	4,013
3.2 Transformation into tax credits	3,529	-
a) deriving from losses for the year	3,529	-
b) deriving from tax losses	-	-
3.3 Other decreases	-	-
4. CLOSING AMOUNT	7,725	11,712

Table 10.3 bis shows changes in advanced taxes recognised on value adjustments of receivables from customers pursuant to Law no. 214/2011, including those relating to the transformation of tax losses/negative value of production due to the reversal pursuant to Law no. 214/2011 of the above-mentioned write-downs of loan not deducted until 2015.

Article 2, paragraphs 56-bis to 56-bis1 of the Decree provides that, in the event of an IRES tax loss and/or a negative value of production for IRAP generated from value adjustments of loans to customers (and goodwill, if any) pursuant to Law no. 214/2011, the deferred tax assets recognised in the financial statements are converted into a tax credit. The transformation starts from the date of filing of the tax return in which the tax loss is recognised or from the date of filing of the IRAP return in which the negative net production value is realised, respectively.

10.4 Changes in deferred taxes (through the income statement)

During the year, and in the previous year, no changes were recorded with respect to the zero balance at the start of the period.

10.5 Changes in advance taxes (through Equity)

	Total 31/12/2024	Total 31/12/2023
1. OPENING AMOUNT	4,611	9,391
2. INCREASES	-	29
2.1 Advance taxes recorded in the year	-	29
a) relating to previous years	-	-
b) due to changed accounting criteria	-	-
c) other	-	29
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. DECREASES	3,798	4,809
3.1 Advance taxes cancelled in the year	3,798	4,809
a) reversals	3,798	4,809
b) write-downs for uncollectable amounts	-	-
c) due to changed accounting criteria	-	-
d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
4. CLOSING AMOUNT	812	4,611

The deferred tax assets recorded in the year for EUR 812 thousand refer mainly to write-downs of financial assets measured at fair value through other comprehensive income. These changes have a contra-entry in the equity reserve for financial assets measured at fair value through other comprehensive income.

10.6 Changes in deferred taxes (through Equity)

	Total 31/12/2024	Total 31/12/2023
1. OPENING AMOUNT	336	397
2. INCREASES	1,393	148
2.1 Deferred taxes recorded in the year	1,393	148
a) relating to previous years	-	-
b) due to changed accounting criteria	-	-
c) other	1,393	148
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. DECREASES	-	209
3.1 Deferred taxes cancelled in the year	-	209
a) reversals	-	209
b) due to changed accounting criteria	-	-
c) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
4. CLOSING AMOUNT	1,729	336

Deferred taxes recorded in the year for EUR 1,729 thousand refer mainly to positive valuations of financial assets measured at fair value through other comprehensive income. These changes have a contra-entry in the equity reserve for financial assets measured at fair value through other comprehensive income.

10.7 Other information

BREAKDOWN OF CURRENT TAXES	IRES	IRAP	OTHER	TOTAL
Current tax liabilities	(11,465)	(2,594)	-	(14,059)
Advances paid/tax credits	12,763	1,712	-	14,474
Withholding taxes incurred	3,863	-	-	3,863
Other tax credits	-	11	-	11
Tax credits under Law no. 214/2011	-	295	3,554	3,849
TOTAL BREAKDOWN OF CURRENT TAXES	5,161	(576)	3,554	8,140
of which debt balance of item 60 a) of liabilities	-	(882)	-	(882)
of which credit balance of item 100 a) of assets	5,161	306	3,554	9,022
Tax credits that cannot be offset: capital portion	59	7	-	66
Tax credits that cannot be offset: interest portion	-	-	-	-
of which credit balance of item 100 a) of assets	5,220	313	3,554	9,088

With regard to the Bank's tax position, for the financial years not yet prescribed, there have been no assessment notices received to date.

Information on the deferred tax assets “Probability test”

Accounting standard IAS 12 requires that tax liabilities and deferred tax assets be recognised on the basis of the following criteria:

- a deferred tax liability must be recognised for all taxable temporary differences;
- a deferred tax asset must be recognised for all deductible temporary differences if it is probable that a sufficient taxable income will be generated compared to the deductible temporary differences.

As known, deferred tax assets are measured at the tax rates that are expected to be applicable in the year in which they arise. They are periodically tested to determine the degree of recoverability and level of the applicable tax rates, as well as whether assets not recognised or derecognised due to lack of requirements in previous years should be reassessed.

To this end, note that a 3.5% IRES surtax has been applied to banks since 2017, resulting in a total IRES rate of 27.5% for the banking sector only.

At the reporting date, deferred tax assets recognised by the bank under item “100 Tax assets b) deferred” totalled EUR 16,494 thousand and mainly refer to the following generating events:

- excess value adjustments of loans pursuant to art. 106, paragraph 3, TUIR of EUR 7,725 thousand (of which EUR 530 thousand recognised for IRAP purposes);
- value adjustments of loans to banks for EUR 78 thousand;
- allocations and non-deductible expenses for reasons of competence, pursuant to the TUIR, of EUR 7,878 thousand;
- write-downs of securities in the FVOCI portfolio of EUR 812 thousand, in addition to EUR 1,729 thousand of deferred taxes.

In carrying out the Probability Test on deferred tax assets recognised in income statement to the financial statements, those deriving from deductible temporary differences were considered separately to those related to writedowns and losses on loans to customers (so-called “qualified deferred tax assets” – Law no. 214/2011) that may be converted into tax credits and amounting to EUR 7,725 thousand, of which EUR 3,333 thousand for DTA from conversion of tax loss.

Starting from the tax period ended 31 December 2011, deferred tax assets (IRES) recorded in the financial statements are converted into tax credits upon the realisation of operating losses, as well as upon the realisation of tax losses deriving from the deferred deduction of temporary differences relating to the aforementioned adjustments to the value of loans to customers (article 2, paragraph 56-bis of Decree Law no. 225 of 29 December 2010, introduced by art. 9 of Decree Law no. 201 of 6 December 2011). Starting from the 2013 tax year, a similar conversion is established, if the IRAP return shows a negative net value of production, related to the deferred tax assets (IRAP) referring to the aforementioned temporary differences that contributed to the determination of the negative net value of production (art. 2, paragraph 56-bis.1, Decree Law no. 225 of 29 December 2010, introduced by Law no. 147/2013).

The convertibility of deferred tax assets on IRES tax losses and on the negative net value of production for IRAP purposes, determined by the aforementioned qualified temporary differences, is therefore a sufficient condition for recognising these deferred tax assets in the financial statements, implicitly making the relative Probability Test passed.

According to these assumptions, the Bank identified deferred tax assets other than the qualified ones, distinguished for IRES and IRAP purposes by type and foreseeable timing of recovery and, on the basis of forecasts of future profitability, the capacity to absorb them was checked.

The analysis carried out showed that, at both the IRES and IRAP levels, the income prospects of the Bank are such as to allow the full recovery of the recognised DTAs in the future.

Section 11 – Non-current assets and groups of assets held for disposal and associated liabilities – Item 110 of assets and Item 70 of liabilities

11.1 Non-current assets and groups of assets held for disposal: breakdown by type of asset

At the reporting date of these financial statements, there are no non-current assets and groups of assets held for disposal or related associated liabilities.

11.2 Other information

At the end of the reporting period there is no significant additional information.

Section 12 – Other assets – Item 120

12.1 Other assets: breakdown

ITEMS	Total 31/12/2024	Total 31/12/2023
Tax receivables from tax authorities and other tax bodies	166,775	197,930
Accounts to be processed	136,002	146,321
Adjustments for illiquid items in the portfolio	3,992	15,122
Other debtors for security transactions	4,060	457
Customers and revenues to be collected	16,636	14,955
Prepayments and accrued income not capitalised	12,740	5,242
Improvement and enhancement expenses on non-separable third-party assets	1,568	394
Advances to suppliers	683	1,211
Intrinsic value of securities transactions and exchanges to be settled	132	32
Other lenders	99,345	61,748
Total	441,933	443,413

The item “Tax receivables from tax authorities and other tax bodies” as at 31 December 2024 includes tax credits, recorded pursuant to Law no. 77 of 17 July 2020 “Tax Bonus”, for a value of EUR 121,687 thousand.

The sub-item “Accounts to be processed” refers mainly to the positive balance of electronic flows related to transactions not settled yet by Cassa Centrale Banca on behalf of Affiliated Banks by and towards the interbanking system.

The sub-item “Value adjustments for illiquid items in the portfolio” shows the imbalance between the debt adjustments and the credit adjustments of the portfolio “subject to successful payment”.

The sub-item “Other lenders” mainly includes the contra-entry of revenue for services rendered, by the BCCs, recorded on an accrual basis during the year but not yet collected for EUR 80,458 thousand and VAT receivables from VAT Group participants for EUR 470 thousand.

At the end of the reporting period, the Bank did not present any significant amounts in relation to assets arising from contracts with customers in accordance with IFRS 15, paragraphs 116, letter a), 118, 120 and 128, in particular.

Liabilities

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

1.1 Financial liabilities measured at amortised cost: breakdown by category of due to banks

Type of transactions/Values	Total 31/12/2024				Total 31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. DUE TO CENTRAL BANKS	300,158	X	X	X	9,435,594	X	X	X
2. DUE TO BANKS	6,536,678	X	X	X	3,711,342	X	X	X
2.1 Current accounts and deposits on demand	2,334,010	X	X	X	2,652,176	X	X	X
2.2 Fixed-term deposits	3,589,176	X	X	X	938,273	X	X	X
2.3 Loans	609,396	X	X	X	119,908	X	X	X
2.3.1 Repos payables	609,396	X	X	X	119,908	X	X	X
2.3.2 Others	-	X	X	X	-	X	X	X
2.4 Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Payables for leases	840	X	X	X	401	X	X	X
2.6 Other payables	3,256	X	X	X	585	X	X	X
Total	6,836,836	-	-	6,836,836	13,146,935	-	-	13,146,935

KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

The item "1. Due to Central Banks" consisted at 31 December 2023 of refinancing operations with the ECB, characterised by different maturities and with rates applied to the individual credit lines equal to those established by the ECB itself. The significant change (-9,135 million) reflects the complete extinguishment in 2024 of TLTRO-III refinancing operations with the Bank of Italy.

In relation to fixed-term deposits, there was a higher MID collection (+2,525 million) with coupon with the Group banks.

The repos payables implemented against financial assets transferred but not derecognised are reported in Part E - Information on risks and related hedging policies, Section D - Disposal Transactions" in the Explanatory Notes.

Sub-item "2.6 Other payables" mainly includes credit card and cheque debts.

1.2 Financial liabilities measured at amortised cost: breakdown by category of due to customers

TYPE OF TRANSACTIONS/ VALUES	Total 31/12/2024				Total 31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and deposits on demand	956,726	X	X	X	585,933	X	X	X
2. Fixed-term deposits	51,039	X	X	X	47,061	X	X	X
3. Loans	1,391,072	X	X	X	1,599,692	X	X	X
3.1 Repos payables	1,383,968	X	X	X	1,595,129	X	X	X
3.2 Other	7,104	X	X	X	4,563	X	X	X
4. Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5. Payables for leases	36,878	X	X	X	11,634	X	X	X
6. Other payables	334,153	X	X	X	394,960	X	X	X
Total	2,769,869	-	-	2,769,869	2,639,279	-	-	2,639,279

KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

The sub-item “3.1 Repo payables” refers to transactions carried out by the Bank with Cassa Compensazione e Garanzia for EUR 1,383,968 thousand.

The sub-item “6. Other debt securities” includes:

- outstanding balances on prepaid cards in circulation issued by the Bank for EUR 134,871 thousand;
- value of banker’s drafts in circulation issued by the Bank for EUR 199,281 thousand.

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

TYPE OF SECURITIES/VALUES	Total 31/12/2024				Total 31/12/2023			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. SECURITIES								
1. bonds	828,127	541,571	303,296	-	727,236	544,366	203,103	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	828,127	541,571	303,296	-	727,236	544,366	203,103	-
2. other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	-	-	-	-	-	-	-	-
Total	828,127	541,571	303,296	-	727,236	544,366	203,103	-

KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Sub-item "A.1.1.2 Bonds – Other" includes securities issued and measured at amortised cost for EUR 727,942 thousand. The securities were issued to comply with the minimum requirement of eligible liabilities (MREL) at consolidated level for Cassa Centrale Banca and at individual level for the affiliated banks identified as relevant entities by the relevant legislation in the 2021 resolution cycle, communicated by the SRB (Single Resolution Body). For more details, please refer to the report on operations.

Furthermore, a bond loan was issued during 2024 for a nominal value of EUR 100 million, subscribed by retail customers.

The fair value valuation of the debt securities in issue in the table above, presented solely for the purpose of fulfilling reporting requirements, is broken down into levels pursuant to the requirements set forth in IFRS 13 and depending on the characteristics and significance of the inputs used in the valuation process.

For more details, please refer to Part A - Accounting policies, A.4 - Information on fair value in the Explanatory Notes.

1.4 Details of subordinated debts/securities

At the end of the reporting period, there are no subordinated relationships.

1.5 Details of structured debts

At the end of the reporting period, there are no structured debts.

1.6 Payables for leases

	Branches	Cars	Land	Real estate for employees	Offices	Warehouses and other areas	Equipment	Others	Buildings	Total 31/12/2024
OPENING BALANCES	-	1,292	-	43	10,361	219	-	120	-	12,035
New contracts	-	634	-	419	34,555	5	15	-	-	35,628
Repayments	-	(551)	-	(77)	(2,176)	(28)	(3)	-	-	(2,834)
Other non-monetary movements*	-	-	-	114	261	-	-	(120)	-	255
Terminated contracts for modification/revaluation	-	-	-	-	(7,366)	-	-	-	-	(7,366)
CLOSING BALANCES	-	1,374	-	500	35,635	196	13	-	-	37,718

*includes increments for indexing

The item “New contracts” includes the lease liability relating to contracts signed into during the period. Changes in the financial lease liability due to contractual changes are recorded under “New contracts” and “Terminated contracts for modification/revaluation”.

Please see table “8.1 Tangible assets for business use: breakdown of the assets measured at cost” for more details about the most significant new contracts.

The table below shows the maturity date of financial payables for leases, as required by IFRS 16, para. 58.

Distribution by residual duration of financial payables for leases

	Branches	Cars	Land	Real estate for employees	Offices	Warehouses and other areas	Equipment	Others	Buildings	Total 31/12/2024
Within 12 months	-	500	-	184	2,361	26	3	-	-	3,074
Between 1-5 years	-	875	-	244	11,707	110	10	-	-	12,946
Beyond 5 years	-	-	-	71	21,567	60	-	-	-	21,698
TOTAL LEASE LIABILITIES	-	1,374	-	500	35,635	196	13	-	-	37,718

During 2024, the Bank’s lease contracts involved a cash outlay of EUR 3,335 thousand, mainly due to office leases.

Section 2 – Financial liabilities held for trading – Item 20

2.1 Financial liabilities held for trading: breakdown by category

TYPE OF TRANSACTIONS/VALUES	Total 31/12/2024					Total 31/12/2023				
	NV	Fair Value			Fair Value*	NV	Fair Value			Fair Value*
		L1	L2	L3			L1	L2	L3	
A. CASH LIABILITIES										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Others	-	-	-	-	X	-	-	-	-	X
Total (A)	-	-	-	-	-	-	-	-	-	-
B. DERIVATIVE INSTRUMENTS										
1. Financial derivatives	X	-	69,507	-	X	X	-	77,856	-	X
1.1 Trading	X	-	69,507	-	X	X	-	77,856	-	X
1.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	X	-	69,507	-	X	X	-	77,856	-	X
Total (A+B)	X	-	69,507	-	X	X	-	77,856	-	X

KEY:

NV = nominal or notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Fair value* = Fair value calculated excluding the changes in value due to change in creditworthiness of the issuer with respect to the date of issue

Item "B. Derivative instruments - 1. Financial derivatives - 1.1 For trading" includes interest rate swaps and forwards vis-à-vis primary market institutions and balanced with specular but opposite transactions with Affiliated Banks.

The change in the value compared to the previous year mainly derives from the trend in the swap rates.

2.2 Details of “Financial liabilities held for trading”: subordinated liabilities

As at the reporting date, there are no subordinated financial liabilities held for trading.

2.3 Details of “Financial liabilities held for trading”: structured debts

At the end of the reporting period, there are no financial liabilities held for trading related to structured debts.

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

3.1 Financial liabilities designated at fair value: breakdown by category

TYPE OF TRANSACTION/VALUES	Total 31/12/2024					Total 31/12/2023				
	NV	Fair value			Fair value*	NV	Fair value			Fair value*
		L1	L2	L3			L1	L2	L3	
1. DUE TO BANKS	172,248	-	-	176,801	176,801	171,232	-	-	175,647	175,647
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Other	172,248	-	-	176,801	X	171,232	-	-	175,647	X
of which:					-					
- commitments to disburse funds	-	X	X	X	X	-	X	X	X	X
- financial guarantees given	-	X	X	X	X	-	X	X	X	X
2. DUE TO CUSTOMERS	-	-	-	-	-	-	-	-	-	-
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Other	-	-	-	-	X	-	-	-	-	X
of which:					-					
- commitments to disburse funds	-	X	X	X	X	-	X	X	X	X
- financial guarantees given	-	X	X	X	X	-	X	X	X	X
3. DEBT SECURITIES	-	-	-	-	-	-	-	-	-	-
3.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2 Other	-	-	-	-	X	-	-	-	-	X
Total	172,248	-	-	176,801	176,801	171,232	-	-	175,647	175,647

KEY:

NV = nominal value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Fair value* = Fair value calculated excluding the changes in value due to change in creditworthiness of the issuer with respect to the date of issue

Item “1.2 Others” includes the total value of the “ex ante portions” contributed by the Affiliated Banks through the instrument of financing allocated to a specific business.

For further details, please refer to the annex “Report on the Guarantee Scheme” as at 31 December 2024.

3.2 Details of 'Financial liabilities measured at fair value': subordinated liabilities

At the end of the reporting period, there are no financial liabilities measured at fair value with a subordination restriction.

Section 4 – Hedging derivatives – Item 40

This item features the derivative contracts designated as effective hedging instruments, which at the end of the reporting period have a negative fair value.

With regard to hedging transactions, the Bank, for accounting purposes, continues to fully apply the accounting standard IAS 39, as required by the transitional provisions of accounting standard IFRS 9.

With regard to the objectives and strategies underlying hedging transactions, please refer to the information provided in Part E – “Information on risks and related hedging policies”, Section 3 – “Derivatives and hedging policies”.

4.1 Hedging derivatives: breakdown by type of coverage and hierarchy levels

	Fair Value 31/12/24			NV 31/12/2024	Fair Value 31/12/23			NV 31/12/2023
	L1	L2	L3		L1	L2	L3	
A. FINANCIAL DERIVATIVES	-	11,673	-	833,864	-	310	-	5,000
1) Fair value	-	11,673	-	833,864	-	310	-	5,000
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. CREDIT DERIVATIVES	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	11,673	-	833,864	-	310	-	5,000

KEY:

NV = notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

During the year, derivatives to hedge mortgage loans (previously disbursed to instrumental entities of the Group), debt securities and a bond loan issued in 2024 were signed.

4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

TRANSACTIONS / TYPE OF HEDGE	Fair Value							Cash flows			Foreign Investments
	Micro-hedge						Macro-hedge	Micro-hedge	Macro-hedge		
	Debt securities and interest rates	Equities and stock market indices	Currencies and gold	Credit	Commodities	Others					
1. Financial assets measured at fair value through other comprehensive income	-	-	-	-		X	X	X	-	X	X
2. Financial assets measured at amortised cost	11,361	X	-	-		X	X	X	-	X	X
3. Portfolio	X	X	X	X		X	X	-	X	-	X
4. Other transactions	-	-	-	-		-	-	X	-	X	-
Total assets	11,361	-	-	-		-	-	-	-	-	-
1. Financial liabilities	312	X	-	-		-	-	X	-	X	X
2. Portfolio	X	X	X	X		X	X	-	X	-	X
Total liabilities	312	-	-	-		-	-	-	-	-	-
1. Expected transactions	X	X	X	X		X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X		X	X	-	X	-	-

All derivatives signed are hedged against interest rate risk. In particular:

- EUR 5,445 thousand to hedge mortgage loans;
- EUR 5,916 thousand to hedge interest-bearing securities;
- EUR 312 thousand to hedge debt securities issued.

Section 5 – Adjustment of the financial liabilities subject to macro-hedging – Item 50

At the end of the reporting period, there are no financial liabilities subject to macro-hedging.

Section 6 – Tax liabilities – Item 60

For information on tax liabilities reference is made to Section 10 of the Assets.

Section 7 – Liabilities associated to assets held for disposal – Item 70

For information on tax liabilities reference is made to Section 11 of the Assets.

Section 8 – Other liabilities – Item 80

8.1 Other liabilities: breakdown

ITEMS	Total 31/12/2024	Total 31/12/2023
Tax payables to tax authorities and other tax bodies for indirect taxes	37,553	32,776
Temporary items Centralised Treasury management	40	950
Wire transfers to be settled	-	90
Housing contributions - General Governments	2,642	3,154
Due to suppliers and expenses to be settled	59,729	42,437
Collection on behalf of third parties and amounts available to customers or third parties	3,386	6,895
Due to employees	12,028	9,296
Due to social security institutions and external pension funds	1,154	1,571
Other accounts to be processed	319,323	489,648
Accrued expenses and deferred income not attributable to own items	5,075	2,531
Intrinsic value of securities transactions and exchanges to be settled	81	71
Sundry creditors - other	31,368	30,237
Total	472,378	619,656

This item includes the liabilities that are not attributable to other items in the balance sheet liabilities.

The sub-item “Other accounts to be processed” mainly includes the negative balance of electronic flows related to transactions not settled yet and that Cassa Centrale Banca sorts on behalf of Affiliated Banks towards the interbanking system and in the opposite direction.

Other liabilities include accrued expenses from contracts with customers, in accordance with IFRS 15, paragraphs 116(a), 118, 120 and 128, for EUR 46 thousand.

Section 9 – Provision for severance indemnity – Item 90

9.1 Provision for severance indemnity: annual changes

	Total 31/12/2024	Total 31/12/2023
A. OPENING BALANCES	1,065	1,201
B. INCREASES	31	207
B.1 Allocation for the year	31	41
B.2 Other changes	-	166
C. DECREASES	199	343
C.1 Payments made	175	343
C.2 Other changes	25	-
D. CLOSING BALANCES	897	1,065
Total	897	1,065

At the end of the reporting period, the Bank recognised the provision for severance indemnity in accordance with IAS 19 Employee benefits. Therefore, the item “D. Closing balances” of the provision recorded coincides with its actuarial value (Defined Benefit Obligation – DBO).

Sub-item “B.1 Allocation for the year” is formed of net interest expenses (interest cost) for EUR 31 thousand.

Sub-item “C.2 Other changes” includes actuarial gains of EUR 25 thousand.

The amount of the “Interest Cost” is included in the income statement in table “10.1 Personnel costs”.

The actuarial gain was recognised in the “Valuation reserves” in accordance with IAS 19.

Finally, it should be noted that under Law no. 296 of 27 December 2006 (the 2007 Finance Act), companies with at least 50 employees pay on a mandatory monthly basis, in accordance with the choice made by the employee, the severance pay accrued after 1 January 2007, to the supplementary post-employment benefits referred to in Law Decree no. 252/05 or to a special fund for the payment to private sector employees of severance pay pursuant to art. 2120 of the Italian Civil Code (hereinafter the Treasury Fund) set up at INPS.

9.2 Other information

ITEMS	Total 31/12/2024	Total 31/12/2023
CHANGES IN THE YEAR	(144)	(302)
- Service cost related to current employment benefits	-	-
- Interest expense on the defined benefit obligation	31	39
- Profits and losses from reductions or settlements	-	-
- Service cost related to past employment benefits	-	-
- Transfers	-	-
- Decreases	(175)	(340)
ACTUARIAL (PROFITS) LOSSES RECOGNISED IN VALUATION RESERVES (OCI)	(25)	166
Description of the main assumptions		
- Discount rate	3.38%	3.17%
- Expected inflation rate	1.80%	2.00%

Description of the main actuarial assumptions for the valuation of severance indemnity

The amounts relating to the provision for severance indemnity liability are based on a special actuarial appraisal commissioned from an external actuary.

The actuarial model used as a reference for the valuation of the severance indemnity ("Projected Unit Credit Method") is based on various demographic and economic assumptions. For some of the assumptions used, where possible, explicit reference has been made to the Bank's direct experience, for the others, best practice has been taken into account.

In particular, it should be noted how:

- the annual discount rate used to determine the current value of the bond was deducted, in accordance with the provisions of para. 83 of IAS 19, with reference to the IBoxx Eurozone Corporate AA index with duration 10+ recognised at the measurement date. To this end, the performance with a duration comparable to the duration of the workers' collective agreement subject to valuation was chosen;
- the annual rate of increase of the severance indemnity as provided for by Article 2120 of the Italian Civil Code is 75% of inflation plus 1.5 percentage points;
- the annual rate of salary increase applied exclusively for companies with fewer than 50 employees on average in 2006, has been determined on the basis of information reported by the Bank.

As a consequence of the above, the economic technical bases used are shown below:

- Annual discount rate: 3.38%;
- Annual inflation rate: 1.80%;
- Annual rate of actual salary increase:
 - Executives: 2.50%;
 - Other positions: 1.00%.

With reference to the demographic technical bases used, the relevant references are provided below:

- Disability: INPS 2010 table divided by age and sex;
- Retirement: 100% upon meeting the AGO requirements as per Law Decree no. 4/2019.

The annual frequency of advances and turnover (3.00%) are deduced from the Bank's historical experience and frequencies triggered by the experience of the actuary in charge of a significant number of similar companies.

In conclusion, we provide the sensitivity analyses on the Actuarial Value (Defined Benefit Obligation – DBO) for the end of the period using:

- a discount rate of +0.50% and of -0.50% compared to the one applied:
 - in the event of an increase of 0.50 %, the severance indemnity provision would equal EUR 865 thousand;
 - in the event of a decrease of 0.50 %, the severance indemnity provision would equal EUR 930 thousand;
- an inflation rate of +0.50% and of -0.50% compared to the one applied:
 - in the event of an increase of 0.50 %, the severance indemnity provision would equal EUR 918 thousand;
 - in the event of a decrease of 0.50 %, the severance indemnity provision would equal EUR 876 thousand;
- a turnover rate of 0.50% and -0.50% compared to the one applied:
 - in the event of an increase of 0.50 %, the severance indemnity provision would equal EUR 899 thousand;
 - in the event of a decrease of 0.50 %, the severance indemnity provision would equal EUR 895 thousand.

Section 10 – Provisions for risks and charges – Item 100

10.1 Provisions for risks and charges: breakdown

ITEMS/VALUES	Total 31/12/2024	Total 31/12/2023
1. Provision for credit risk relative to commitments and financial guarantees given	7,352	5,803
2. Provision for other commitments and guarantees given	-	-
3. Post-employment benefits	-	-
4. Other provisions for risks and charges	17,665	19,792
4.1 Legal and tax disputes	-	186
4.2 Personnel expenses	11,895	12,782
4.3 other	5,770	6,824
Total	25,017	25,595

Item “Provision for credit risk relative to commitments and financial guarantees given” includes the value of the total allocations for credit risk in respect of the commitments to disburse funds and financial guarantees given which are subject to the impairment rules of IFRS 9 (paragraph 2.1, letter e); paragraph 5.5; appendix A), including therein the financial guarantees given and the commitments to disburse funds which are measured at the first-time recognition value, net of the total revenues booked in compliance with IFRS 15 (see IFRS 9, paragraph 4.2.1, letters c) and d)).

With reference to item 4. Other provisions for risks and charges”, please refer to table “10.6 Provisions for risks and charges - other provisions” for more details.

10.2 Provisions for risks and expenses: annual changes

	Provision for other commitments and guarantees given	Post-employment benefits	Other provisions for risks and charges	Total
A. OPENING BALANCES	-	-	19,792	19,792
B. INCREASES	-	-	10,740	10,740
B.1 Allocation for the year	-	-	10,740	10,740
B.2 Changes due to the passing of time	-	-	-	-
B.3 Changes due to modifications in the discount rate	-	-	-	-
B.4 Other changes	-	-	-	-
C. DECREASES	-	-	12,866	12,866
C.1 Use for the year	-	-	9,842	9,842
C.2 Changes due to modifications in the discount rate	-	-	-	-
C.3 Other changes	-	-	3,024	3,024
D. CLOSING BALANCES	-	-	17,665	17,665

The table above shows the annual changes in the provisions for risks and expenses with the exception of those in the item “provision for credit risk relative to commitments and financial guarantees given”, which are shown in Table A.1.4 of Part E.

With reference to “Other provisions for risks and charges”:

- the sub-item “B.1 – Allocation for the year” includes the increase in future estimated debt related to existing provisions. Allocations during the year for EUR 10,740 thousand mainly consisted of allocations for bonuses to be given to employees for EUR 9,795 thousand and to executives for EUR 551 thousand, as well as allocations for charity fund activities for EUR 250 thousand;
- sub-item “C.1 – Use for the year” mainly refers to the signing of individual agreements for early retirement incentive plans for EUR 4 million (reclassified to “Other liabilities”), payments made to employees of which approximately EUR 4 million; EUR 756 thousand for release of funds for lower SRF contributions, EUR 517 thousand for donations and EUR 185 thousand for complete release of funds for legal disputes;
- sub-item “C.3 – Other changes” refers to the reclassification to “Other liabilities” item 80 of the performance bonus allocated in 2023 following the approval by the Shareholders’ Meeting of those financial statements. The amount was then paid to employees in September 2024.

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

	Provision for credit risk relative to commitments and financial guarantees given				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total 31/12/24
Commitments to disburse funds	3,430	3,709	-	-	7,139
Financial guarantees given	143	70	-	-	213
Total	3,573	3,779	-	-	7,352

As shown above, this table includes the value of the total allocations for credit risk in respect of the commitments to disburse funds and financial guarantees given which are subject to the impairment rules of IFRS 9, including therein the financial guarantees given and the commitments to disburse funds which are measured at the first-time recognition value, net of the total revenues booked in compliance with IFRS 15.

The breakdown of these provisions by risk stage is applied in accordance with the provisions of the IFRS 9 impairment model. For more detailed information, see “Part A - Accounting policies”, paragraph “15.5 Methods of recognition of impairment losses” and “Part E - Information on risks and related hedging policies”.

10.4 Provision for other commitments and guarantees given

At the end of the reporting period, the Bank has no provisions of this kind.

10.5 Defined benefit post-employment funds

The Bank does not have defined benefit pension funds.

10.6 Provisions for risks and expenses - other provisions

ITEMS	Total 31/12/2024	Total 31/12/2023
OTHER PROVISIONS FOR RISKS AND CHARGES		
1. Provision for charity	424	692
2. Personnel risks and charges	11,895	12,782
3. Legal and tax disputes	-	186
4. Other provisions for risks and charges	5,346	6,133
Total	17,665	19,792

Provisions for charity of EUR 424 thousand.

The provision for charity, which originates from the Articles of Association (Art. 49), is included under other provisions. The allocation is determined on an annual basis at the time of allocation of profits by the Shareholders' Meeting. The provision has not been discounted as its use is anticipated in the course of the following year.

Personnel risks and charges for EUR 11,895 thousand.

The amount recorded in sub-item "4.2 Personnel expenses" of Table 10.1 refers to seniority/loyalty bonuses regarding the financial charge that the Bank must incur in future years in favour of the employees in relation to seniority of service for EUR 413 thousand. Furthermore, the sub-item includes the Provision for bonuses/discretionary bonuses for employees of EUR 11,482 thousand.

In terms of operations, the application of the Project Unit Credit Method required the defined demographic and economic-financial hypotheses applied analytically to each employee.

Other provisions for risks and expenses amounting to EUR 5,346 thousand.

The amount shown refers to provisions made in previous years for potential requests for intervention by the National Resolution Fund.

The provision for legal disputes was released during the year following the positive outcomes of the ongoing lawsuits.

Section 11 – Repayable shares – Item 120

11.1 Repayable shares: breakdown

The Bank has issued no repayable shares.

Section 12 – Equity – Items 110, 130, 140, 150, 160, 170 and 180

12.1 “Capital” and “Own shares”: breakdown

ITEMS	31/12/2024			31/12/2023		
	Number of shares issued	Number of shares subscribed and not yet paid-up	Total	Number of shares issued	Number of shares subscribed and not yet paid-up	Total
A. SHARE CAPITAL						
A.1 Ordinary shares	18,158,304	-	18,158,304	18,158,304	-	18,158,304
A.2 Preference shares	150,000	-	150,000	150,000	-	150,000
A.3 Other shares	-	-	-	-	-	-
Total A	18,308,304	-	18,308,304	18,308,304	-	18,308,304
B. OWN SHARES						
B.1 Ordinary shares	-	-	-	-	-	-
B.2 Preference shares	-	-	-	-	-	-
B.3 Other shares	-	-	-	-	-	-
Total B	-	-	-	-	-	-
Total A+B	18,308,304	-	18,308,304	18,308,304	-	18,308,304

There are no shares subscribed and not yet paid-up.

There are no own shares in the portfolio.

12.2 Capital - Number of shares: annual changes

ITEMS/TYPES	Ordinary	Preference
A. SHARES AT START OF YEAR	18,158,304	150,000
- fully paid-up	18,158,304	150,000
- not fully paid-up	-	-
A.1 Own shares (-)	-	-
A.2 Outstanding shares: opening balances	18,158,304	150,000
B. INCREASES	-	-
B.1 New issues	-	-
- paid:	-	-
- business combinations	-	-
- bond conversions	-	-
- exercise of warrants	-	-
- other	-	-
- free of charge:	-	-
- in favour of employees	-	-
- in favour of directors	-	-
- other	-	-
B.2 Sale of own shares	-	-
B.3 Other changes	-	-
C. DECREASES	-	-
C.1 Cancellation	-	-
C.2 Purchase of own shares	-	-
C.3 Company transfers	-	-
C.4 Other changes	-	-
D. SHARES OUTSTANDING: CLOSING BALANCES	18,158,304	150,000
D.1 Own shares (+)	-	-
D.2 Shares at year-end	18,158,304	150,000
- fully paid-up	18,158,304	150,000
- not fully paid-up	-	-

12.3 Capital: other information

ITEM	Total 31/12/2024	Total 31/12/2023
NOMINAL VALUE PER SHARE		
Fully paid-up		
Number	18,308,304	18,308,304
Value	52	52
Existing contracts for the sale of shares		
Number of shares under contract	-	-
Total value	-	-

The nominal value per share has not changed and amounts to EUR 52.

The Bank's share capital consists of 18,308,304 shares, including 150,000 preference shares and 18,158,304 ordinary shares. There are no dividend distribution restrictions or capital reimbursement restrictions on these shares.

The Bank does not hold, directly or indirectly, through subsidiaries or associates, own shares.

12.4 Profit reserves: other information

ITEMS/COMPONENTS	Amount	Portion available	Possibility of use
a) Legal reserve	36,683	36,683	B: to cover losses
b) Extraordinary reserve	-	-	-
c) Statutory reserve	-	-	-
d) Other reserves	170,949	170,949	B: to cover losses
Total	207,632	207,632	-

Profit reserves are generally formed when the net profit shown in the approved annual Financial Statements is distributed by explicit allocation to reserves.

Industry regulations set out under art. 37 of Legislative Decree no. 385/93 and the Articles of Association state that the legal reserve must be established.

The legal reserve is formed with an allocation of at least 5% of the net profit for the year, up to one fifth of the share capital.

The legal reserve is indivisible and not available to the Bank, with the exception of use to cover losses for the year, in the same way as the other profit reserves recognised in equity, due to legal and statutory constraints.

Item "Other reserves" includes the "Excess profits pursuant to art. 26, paragraph 5-bis of Decree Law no. 104/2023" for an amount of EUR 14,150 thousand, allocated during approval of the allocation of the profit for the year at 31 December 2023, in accordance with the provision of the aforesaid Decree Law. There were no changes to this reserve during 2024.

The same item also includes the portion of the residual net profits allocated after the other allocations established by law and the Articles of Association, resolved by the Shareholders' Meeting.

In accordance with article 2427, no. 7-bis of the Italian Civil Code, details are given below of the composition of the Bank's equity, excluding the profit for the period, with indication of the origin and the level of availability and distributability of the various items.

In accordance with article 2427, no. 7-bis of the Italian Civil Code, details are given below of the composition of the Bank's equity, excluding the profit for the period, with indication of the origin and the level of availability and distributability of the various items.

With reference to the valuation reserves, unavailable, where positive, pursuant to Art.6 of Legislative Decree no.38/2005, the following should be mentioned:

- the valuation reserves of financial instruments measured at fair value through other comprehensive income represent the gains or losses deriving from a change in fair value of the quoted financial activity;
- the reserves for the hedging of financial flows include changes in fair value of the hedging derivative for the effective portion of the hedge;
- the reserves from IAS 19 actuarial gains/losses relate to the valuation of severance indemnity and defined provisions for retirement.

Pursuant to Article 2427, paragraph 22-septies, of the Italian Civil Code, for the proposed allocation of the profit for the year, reference should be made to the information contained in the Report on Operations (document accompanying these financial statements) in the chapter "Proposed appropriation of the result for the year".

12.5 Equity instruments: breakdown and annual changes

There are no equity instruments other than the capital and reserves.

12.6 Other information

There is no other information on equity instruments other than the capital and reserves.

Other information

1. Commitments and financial guarantees given (other than those measured at fair value)

	Nominal value of commitments and financial guarantees given				Total 31/12/2024	Total 31/12/2023
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
1. COMMITMENTS TO DISBURSE FUNDS	27,668,046	17,987	-	-	27,686,033	19,969,877
a) Central Banks	-	-	-	-	-	-
b) General governments	-	-	-	-	-	-
c) Banks	26,923,661	-	-	-	26,923,661	19,004,734
d) Other financial corporations	540,479	1,792	-	-	542,271	764,763
e) Non-financial corporations	196,263	15,512	-	-	211,775	190,153
f) Households	7,643	683	-	-	8,326	10,228
2. FINANCIAL GUARANTEES GIVEN	51,893	997	-	-	52,890	55,442
a) Central Banks	-	-	-	-	-	-
b) General governments	-	-	-	-	-	-
c) Banks	32,508	-	-	-	32,508	32,624
d) Other financial corporations	6,738	-	-	-	6,738	6,701
e) Non-financial corporations	12,292	997	-	-	13,289	15,691
f) Households	356	-	-	-	356	425

This table shows the commitments to disburse funds and the financial guarantees given which are subject to the impairment rules of IFRS 9. Commitments to disburse funds and financial guarantees given that are considered derivatives are excluded, as are commitments to disburse funds and financial guarantees given that are measured at fair value.

“Commitments to disburse funds” are commitments that may give rise to credit risks that are subject to the write-down rules of IFRS 9 (e.g. margins available on credit lines granted to customers or banks).

The item “Commitments to disburse funds” includes margins usable on irrevocable credit facilities for EUR 423,885 thousand.

The item “Financial guarantees given” mainly includes guarantees securing the regular fulfilment of the debt service by the ordering party.

2. Other commitments and guarantees given

	Nominal value	
	Total 31/12/2024	Total 31/12/2023
1. Other guarantees given	1,501	1,800
of which: impaired	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	1,501	1,800
d) Other financial corporations	-	-
e) Non-financial corporations	-	-
f) Households	-	-
2. Other commitments	-	-
of which: impaired	-	-
a) Central Banks	-	-
b) General governments	-	-
c) Banks	-	-
d) Other financial corporations	-	-
e) Non-financial corporations	-	-
f) Households	-	-

This table shows the nominal value of other commitments and other guarantees given which fall within the scope of IAS 37 and IFRS 4 respectively and are therefore not subject to the impairment rules of IFRS 9.

3. Asset-backed own liabilities and commitments

PORTFOLIOS	Amount	Amount
	31/12/2024	31/12/2023
1. Financial assets measured at fair value through profit or loss	184,535	184,963
2. Financial assets measured at fair value through other comprehensive income	771,987	535,652
3. Financial assets measured at amortised cost	2,244,986	1,841,815
4. Tangible assets	-	-
of which: tangible assets that constitute inventories	-	-

The item includes the values of securities pledged in repos payables implemented with securities in the assets for EUR 1,630,633 thousand.

Item "1. Financial assets designated at fair value through profit or loss" includes the value of securities pledged as collateral in agreements with the Affiliated Banks for EUR 184,535 thousand.

Item "2. Financial assets measured at fair value through other comprehensive income" includes the values of securities pledged in repos payables implemented with securities in the assets for EUR 656,255 thousand, in addition to EUR 115,732 thousand related to the Bankit/ECB pool account.

Item "3. Financial assets measured at amortised cost" include the value of securities pledged as collateral:

- Repos payables implemented with securities in the assets for EUR 974,377 thousand;
- Bankit/ECB pool account for EUR 502,369 thousand;
- Derivative collateral for EUR 72,272 thousand;
- Issues of banker's drafts for EUR 75,363 thousand;
- Guarantee agreement with the Affiliated Banks ex post for EUR 156,681 thousand;
- Cassa Compensazione Garanzia initial margins for EUR 75,293 thousand;
- Loans with ABACO guarantee for EUR 388,630 thousand.

4. Management and intermediation on behalf of third parties

TYPE OF SERVICES	Amount
1. EXECUTION OF ORDERS ON BEHALF OF CUSTOMERS	1,139,865
a) purchases	89
1. settled	89
2. not settled	-
b) sales	1,139,776
1. settled	1,139,776
2. not settled	-
2. INDIVIDUAL PORTFOLIO MANAGEMENT	12,945,661
3. CUSTODY AND ADMINISTRATION OF SECURITIES	54,568,589
a) third-party securities under custody: connected to the role as depositary bank (excluding portfolio management)	-
1. securities issued by the bank that prepares the financial statements	-
2. other securities	-
b) third-party securities under custody (excluding portfolio management): other	48,550,354
1. securities issued by the bank that prepares the financial statements	1,054,632
2. other securities	47,495,722
c) third-party securities deposited with third parties	47,776,828
d) own securities deposited with third parties	6,018,235
4. OTHER TRANSACTIONS	-

The Bank provides brokerage services on behalf of third parties.

With regard to the asset management described in point 2, the following should be noted:

- The amounts refer to the value of assets under management at the end of the year, at market values;
- The amounts refer only to the securities component of management and not the liquidity component (current accounts and deposits), which amounted to EUR 522,542 thousand in the current year.

5. Financial assets subject to offsetting in the financial statements or subject to master netting arrangements or similar agreements

TECHNICAL FORMS	Gross amount of financial assets (a)	Amount of financial liabilities offset in the financial statements (b)	Net amount of financial assets reported in the financial statements (c=a-b)	Correlated amount not offset in the financial statements		Net amount (f=c-d-e) 31/12/2024	Net amount 31/12/2023
				Financial instruments (d)	Cash deposits pledged as collateral (e)		
1. Derivatives	73,749	-	73,749	21,237	32,770	19,742	76,560
2. Repos	-	-	-	-	-	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total 31/12/2024	73,749	-	73,749	21,237	32,770	19,742	X
Total 31/12/2023	78,580	-	78,580	-	2,020	X	76,560

6. Financial liabilities subject to offsetting in the financial statements or subject to master netting arrangements or similar agreements

TECHNICAL FORMS	Gross amount of financial liabilities (a)	Amount of financial assets offset in the financial statements (b)	Net amount of financial liabilities reported in the financial statements (c=a-b)	Correlated amount not offset in the financial statements		Net amount (f=c-d-e) 31/12/2024	Net amount 31/12/2023
				Financial instruments (d)	Cash deposits issued as guarantee (e)		
1. Derivatives	68,949	-	68,949	54,363	6,820	7,766	5,874
2. Repos	609,395	-	609,395	610,964	1,569	(3,138)	-
3. Securities lending	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total 31/12/2024	678,344	-	678,344	665,327	8,389	4,628	X
Total 31/12/2023	196,359	-	196,359	118,515	71,971	X	5,874

With regard to the disclosures required by IFRS 7 about financial instruments that have been offset in the balance sheet in accordance with IAS 32 or that are potentially offsettable, if certain conditions are met, but are presented in the balance sheet without offsetting because they are governed by "framework netting agreements or similar" that do not meet all the criteria set out in IAS 32 paragraph 42, it should be noted that Cassa Centrale Banca does not have netting agreements in place that meet the requirements of IAS 32 para. 42 for offsetting in the financial statements.

With regard to the instruments that can potentially be offset when certain events occur, shown in Tables 5 and 6, Cassa Centrale Banca uses bilateral netting agreements that allow for, in the event of default by the counterparty, the offsetting of credit and debit positions relating to financial derivatives, as well as SFT (Securities Financing Transactions). In particular, there are ISDA (for derivative transactions) contracts and GMRA (for repurchase agreements) contracts.

For the purposes of compiling the tables and in line with the provisions of IFRS 7, please note that:

- the effects of potential offsetting of the financial statements values of financial assets and liabilities are shown in column (d) "Financial instruments", together with the fair value of financial collateral represented by securities;

- the effects of the potential offsetting of the exposure against the related cash guarantees are shown under column (e) 'Cash deposits received/issued as guarantee';
- repos are shown in the tables according to the amortised cost measurement criterion, while the related financial collateral is shown at its fair value;
- derivative transactions are represented at fair value;
- the effects of offsetting shall be calculated individually for each individual counterparty assisted by a netting framework agreement within the exposure limits indicated in column (c).

Netting agreements between financial instruments and related guarantees significantly reduce the credit/debit exposure to the counterparty, as can be seen in column (f) "Net amount". The effects shall be calculated for each individual counterparty assisted by a netting framework agreement within the exposure limits indicated in column (c).

7. Securities lending transactions

The Bank has not carried out securities lending transactions.

8. Information on joint operations

This information is included in the section with the same heading in the Consolidated Explanatory Notes.

PART C - Information on the income statement

Section 1 – Interest – Items 10 and 20

1.1 Interest income and similar revenues: breakdown

ITEMS/TECHNICAL FORMS	Debt securities	Loans	Other transactions	Total 31/12/2024	Total 31/12/2023
1. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	5,102	607	-	5,710	5,997
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets designated at fair value	5,097	-	-	5,097	5,310
1.3 Other financial assets mandatorily measured at fair value	6	607	-	613	687
2. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	37,238	-	X	37,238	19,901
3. FINANCIAL ASSETS MEASURED AT AMORTISED COST	130,081	243,788	-	373,869	547,284
3.1 Loans to banks	52,157	143,638	X	195,795	406,592
3.2 Loans to customers	77,924	100,150	X	178,075	140,692
4. HEDGING DERIVATIVES	X	X	5,817	5,817	12
5. OTHER ASSETS	X	X	5,050	5,050	5,158
6. FINANCIAL LIABILITIES	X	X	X	3,001	14,481
Total	172,421	244,395	10,867	430,685	592,834
of which: interest income on impaired financial assets	-	689	-	689	799
of which: interest income on financial leases	X	-	X	-	-

Item “3.1 Financial assets measured at amortised cost”, sub-item “Loans to banks”, reflects the decrease in loans to banks, in particular linked to the extinguishment of the TLTRO operations for an amount of EUR 213,106 thousand that reached maturity, as well as the decrease in the interest rate curve.

The item “hedging derivatives” indicates the differentials or margins relating to the hedging derivatives on interest rate risk.

The item “Financial liabilities” comprises interest income accrued on funding transactions at negative rates.

The line “of which: interest income from impaired financial assets” shows interest determined on the basis of the effective interest rate, including interest due to the passage of time. This interest relates to loans to customers.

1.2 Interest income and similar revenues: other information

1.2.1 Interest income on foreign currency financial assets

ITEMS	Total 31/12/2024	Total 31/12/2023
Interest income on foreign currency financial assets	1,579	843

1.3 Interest expenses and similar charges paid: breakdown

ITEMS/ TECHNICAL FORMS	Payables	Securities	Other transactions	Total 31/12/2024	Total 31/12/2023
1. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	(322,364)	(42,458)	X	(364,823)	(533,424)
1.1 Due to Central Banks	(87,054)	X	X	(87,054)	(298,277)
1.2 Due to banks	(161,699)	X	X	(161,699)	(112,035)
1.3 Due to customers	(73,612)	X	X	(73,612)	(85,180)
1.4 Debt securities in issue	X	(42,458)	X	(42,458)	(37,932)
2. FINANCIAL LIABILITIES HELD FOR TRADING	-	-	-	-	-
3. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE	-	-	-	-	-
4. OTHER LIABILITIES AND PROVISIONS	X	X	-	-	-
5. HEDGING DERIVATIVES	X	X	(185)	(185)	-
6. FINANCIAL ASSETS	X	X	X	(2,542)	(1,249)
Total	(322,364)	(42,458)	(185)	(367,550)	(534,674)
of which: interest expense on payables for leases	(502)	X	X	(502)	(145)

Item 1.1 “Due to Central Banks” shows a sharp drop in returns due to the maturity of TLTRO operations.

The increase in item 1.2 “Due to banks” is attributable to the new term deposit product with coupon, with which the bank collects liquidity.

The item “Hedging derivatives” indicates the differentials or margins relating to the hedging derivatives on interest rate risk.

The item “Financial assets” indicates the negative interest accrued on financial assets.

1.4 Interest expenses and similar expenses paid: other information

1.4.1 Interest expense on foreign currency financial liabilities

ITEMS	Total 31/12/2024	Total 31/12/2023
Interest expenses from liabilities in foreign currency	(4,549)	(3,801)

1.5 Differentials relative to hedging transactions

ITEMS	Total 31/12/2024	Total 31/12/2023
A. Positive differentials relating to hedging transactions	5,817	12
B. Negative differentials relating to hedging transactions	(185)	-
C. Balance (A-B)	5,632	12

The increase in the item reflects the new hedging transactions of securities in the asset portfolio for EUR 1,553 thousand, intra-group loans for EUR 4,264 thousand and securities issued for EUR 185 thousand.

Section 2 – Fees and Commissions – Items 40 and 50

2.1 Fees and commissions income: breakdown

TYPE OF SERVICES/VALUES	Total 31/12/2024	Total 31/12/2023
a) Financial instruments	105,843	98,934
1. Placement of securities	-	-
1.1 With direct underwriting and/or on a firm commitment basis	-	-
1.2 Without a firm commitment basis	-	-
2. Order receipt and transmission and execution of orders on behalf of customers	10,973	8,428
2.1 Order receipt and transmission of one or more financial instruments	10,969	8,332
2.2. Execution of orders on behalf of customers	4	97
3. Other fees and commissions connected with activities related to financial instruments	94,870	90,505
of which: dealing for own account	-	-
of which: individual portfolio management	90,526	86,326
b) Corporate Finance	-	-
1. Advice on mergers and acquisitions	-	-
2. Treasury services	-	-
3. Other fees and commissions related to corporate finance services	-	-
c) Investment advisory activities	77	86
d) Offsetting and settlement	-	-
e) Custody and administration	4,808	4,517
1. Custodian bank	-	-
2. Other fees and commissions related to custody and administration activities	4,808	4,517
f) Central administrative services for collective portfolio management	-	-
g) Trust business	-	-
h) Payment services	104,778	93,723
1. Current accounts	78	86
2. Credit cards	-	-
3. Debit and other payment cards	80,166	70,056
4. Bank transfers and other payment orders	11,553	10,500
5. Other fees and commissions related to payment services	12,981	13,081

TYPE OF SERVICES/VALUES	Total 31/12/2024	Total 31/12/2023
i) Breakdown of third-party services	1,736	1,372
1. Collective portfolio management	-	-
2. Insurance products	60	50
3. Other products	1,677	1,322
of which: individual portfolio management	-	-
j) Structured finance	-	-
k) Servicing activities for securitisation operations	1,460	259
l) Commitments to disburse funds	-	-
m) Financial guarantees given	284	292
of which: credit derivatives	-	-
n) Financing transactions	1,273	1,794
of which: for factoring operations	-	-
o) Foreign currency trading	1	1
p) Commodities	-	-
q) Other fees and commissions income	35,026	26,130
of which: activities for the management of multilateral trading systems	-	-
of which: for the management of organised trading systems	-	-
Total	255,286	227,108

It should be noted that no revenue deriving from fees and commissions (other than the amounts included in the calculation of the effective interest rate) arising from financial assets not measured at fair value recognised in profit (loss) for the year are recognised.

The amount under sub-item “ Other fees and commissions connected with activities related to financial instruments” is formed mainly of fees referring to assets under management.

The amount shown under the sub-item “Other fees and commissions income” is composed of fees and commissions mainly relating to:

- payment intermediation services related to the participation in UCITS;
- centralised securities database;
- provision of financial information;
- Asset Liability Management;
- Value at Risk;
- valuation of unlisted securities prices;
- lease and factoring brokerage;
- structured finance;
- credit line and other residual services.

During the year, the increase in the item accounts for the recognition of the commission pertaining to the Group's BCCs, associated with the Eurovita rescue operation, for a total of EUR 7,883 thousand.

With reference to the timing of recognition, it should be noted that the management fees are reported periodically in line with the execution of the performance obligation. Performance fees are accounted for when the uncertainties associated with the specific type of fee no longer exist, in line with what is indicated by IFRS 15, para. 56.

2.2 Fees and commissions income: distribution channels of products and services

CHANNELS/VALUES	Total 31/12/2024	Total 31/12/2023
A) WITHIN ITS OWN COUNTERS:	92,262	87,699
1. portfolio management	90,526	86,326
2. placement of securities	-	-
3. third-party services and products	1,736	1,372
B) OFFERS OUTSIDE THE BRANCH	-	-
1. portfolio management	-	-
2. placement of securities	-	-
3. third-party services and products	-	-
C) OTHER DISTRIBUTION CHANNELS:	-	-
1. portfolio management	-	-
2. placement of securities	-	-
3. third-party services and products	-	-

2.3 Fees and commissions expenses: breakdown

TYPE OF SERVICES/VALUES	Total 31/12/2024	Total 31/12/2023
a) Financial instruments	(68,186)	(64,522)
of which: trading of financial instruments	(1,570)	(1,342)
of which: placement of financial instruments	-	-
of which: individual portfolio management	(66,616)	(63,180)
- Own	(66,616)	(63,180)
- Delegated to third parties	-	-
b) Offsetting and settlement	(49)	(47)
c) Custody and administration	(1,586)	(1,478)
d) Collection and payment services	(60,514)	(56,217)
of which: credit cards, debit cards and other payment cards	(50,503)	(51,894)
e) Servicing activities for securitisation operations	-	-
f) Commitments to receive funds	-	-
g) Financial guarantees received	(109)	(15)
of which: credit derivatives	-	-
h) Out-of-branch offer of financial instruments, products and services	-	-
i) Foreign currency trading	-	-
j) Other fees and commissions expenses	(11,410)	(5,255)
Total	(141,854)	(127,534)

It should be noted that no costs deriving from fees and commissions (other than the amounts included in the calculation of the effective interest rate) arising from financial liabilities not measured at fair value recognised in profit or loss for the year are recognised (IFRS 7, paragraph 20, letter c (i)).

The amount under sub-item “financial instruments – of which: individual portfolio management” is mainly formed of the retrocessions to the BCC relating to management fees for assets under management.

The increase in the amount under sub-item “Other fees and commissions expenses” reflects the commission expense associated with the Eurovita rescue operation, for a total of EUR 7,684 thousand.

Section 3 – Dividends and similar income – Item 70

3.1 Dividend and similar income: breakdown

ITEMS/INCOME	Total 31/12/2024		Total 31/12/2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	1	-	3
C. Financial assets measured at fair value through other comprehensive income	839	-	1,019	-
D. Equity investments	43,510	-	38,126	-
Total	44,349	1	39,145	3

Item D. "Equity investments" includes the dividends relative to controlling interests and shareholdings in associates measured at cost and distributed by:

- Allitude S.p.A. for EUR 8,253 thousand;
- Nord Est Asset Management S.A. for EUR 18,000 thousand;
- Claris Holding S.p.A. for EUR 10,623 thousand;
- Assicura Agenzia S.r.l. for EUR 6,611 thousand;
- Finanziaria Trentina della Cooperazione S.p.A. for EUR 20 thousand;
- Scouting S.p.A. for EUR 3 thousand.

Item "Financial assets designated at fair value through other comprehensive income" mainly includes dividends distributed by Etica Sgr of EUR 618 thousand.

Section 4 – Net result from trading - Item 80

4.1 Net result from trading: breakdown

TRANSACTIONS/INCOME COMPONENTS	Capital gains	Profit on sale	Capital losses	Loss on sale	Net result
1. FINANCIAL ASSETS HELD FOR TRADING	-	139	-	-	139
1.1 Debt securities	-	139	-	-	139
1.2 Equities	-	-	-	-	-
1.3 UCITS units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. FINANCIAL LIABILITIES HELD FOR TRADING	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. FINANCIAL ASSETS AND LIABILITIES: EXCHANGE RATE DIFFERENCES	X	X	X	X	(1,985)
4. DERIVATIVE INSTRUMENTS	20,514	17,024	(19,227)	(16,727)	8,136
4.1 Financial derivatives:	20,514	17,024	(19,227)	(16,727)	8,136
- On debt securities and interest rates	20,514	17,024	(19,227)	(16,727)	1,584
- On equities and stock market indices	-	-	-	-	-
- On currencies and gold	X	X	X	X	6,552
- Other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected to the fair value option	X	X	X	X	-
Total	20,514	17,163	(19,227)	(16,727)	6,289

The item “4. Derivative Instruments – 4.1. Financial Derivatives – On debt securities and interest rates” includes the net result of trading in derivatives (interest rate swaps and forwards), with primary market institutions balanced with specular but opposite transactions with Affiliated Banks.

Section 5 – Net profit (loss) on hedge accounting - Item 90

5.1 Net profit (loss) on hedge accounting: breakdown

INCOME COMPONENTS/VALUES	Total 31/12/2024	Total 31/12/2023
A. INCOME RELATED TO:		
A.1 Fair value hedging derivatives	915	-
A.2 Hedged financial assets (fair value)	25,485	370
A.3 Hedged financial liabilities (fair value)	9	-
A.4 Cash flow hedge derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Total income from hedging (A)	26,409	370
B. EXPENSES RELATED TO:		
B.1 Fair value hedging derivatives	(9,832)	(317)
B.2 Hedged financial assets (fair value)	(15,127)	(76)
B.3 Hedged financial liabilities (fair value)	(75)	-
B.4 Cash flow hedge derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Total expenses from hedging (B)	(25,034)	(393)
C. NET RESULT FROM HEDGING (A - B)	1,375	(22)
of which: result of net positions hedging	-	-

The Bank avails itself of the possibility, provided for in the introduction of IFRS 9, to continue to apply in full the provisions of IAS 39 on hedge accounting (in the carved out version approved by the European Commission) for each type of hedge. As a consequence, in the table above, the row “of which: result of net positions hedging” provided for those who apply IFRS 9 also for hedging, is not valued.

During the year, in order to hedge interest rate risk, the Bank implemented hedging derivatives on financing operations for 616 million, on securities in the portfolio for a nominal value of 255 million and on a bond issue for a nominal value of 100 million.

Section 6 - Profit (Loss) from disposal/repurchase - Item 100

6.1 Profit (loss) from disposal/repurchase: breakdown

ITEMS/INCOME COMPONENTS	Total 31/12/2024			Total 31/12/2023		
	Profit	Loss	Net result	Profit	Loss	Net result
A. FINANCIAL ASSETS						
1. Financial assets measured at amortised cost	206	(21,415)	(21,209)	2,353	(16)	2,336
1.1 Loans to banks	13	(10,254)	(10,242)	7	-	7
1.2 Loans to customers	193	(11,161)	(10,967)	2,346	(16)	2,330
2. Financial assets measured at fair value through other comprehensive income	144	(24)	119	1,376	-	1,376
2.1 Debt securities	144	(24)	119	1,376	-	1,376
2.2 Loans	-	-	-	-	-	-
Total assets (A)	350	(21,440)	(21,090)	3,728	(16)	3,712
B. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities (B)	-	-	-	-	-	-

The table reports the economic result deriving from the sale of financial assets/liabilities other than those held for trading and those measured at fair value, as well as the result derived from the repurchase of the company's own financial liabilities. In particular:

- the net amount of EUR -21,209 thousand indicated in line 1 refers to the net result deriving from the sale of bond securities (in particular, government bonds and EIB bonds);
- the amount of EUR 119 thousand specified in line 2.1 represents the profit relative to the transfer of bond securities (in particular, government bonds).

Section 7 - Net result of other financial assets and liabilities measured at fair value through profit or loss - Item 110

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

TRANSACTIONS/INCOME COMPONENTS	Capital gains	Profit on sale	Capital losses	Loss on sale	Net result
1. FINANCIAL ASSETS	2,869	7	(14)	(519)	2,343
1.1 Debt securities	2,869	7	(14)	(519)	2,343
1.2 Loans	-	-	-	-	-
2. FINANCIAL LIABILITIES	-	-	(6,939)	-	(6,939)
2.1 Debt securities in issue	-	-	-	-	-
2.2 Due to banks	-	-	(6,939)	-	(6,939)
2.3 Due to customers	-	-	-	-	-
3. FOREIGN CURRENCY ASSETS AND LIABILITIES: EXCHANGE RATE DIFFERENCES	X	X	X	X	-
Total	2,869	7	(6,952)	(519)	(4,596)

The capital losses in sub-item “2.2 Due to banks” represent the allocation to the lending parties (Affiliated Banks) of the operating result of the cross-guarantee scheme, which takes place through an accounting entry adjusting the fair value of the financial liability recognised through the funds received as “ex ante portion” from the lending parties themselves.

For further details, please refer to the Annex “Report on the Guarantee Scheme” as at 31 December 2024.

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

TRANSACTIONS/INCOME COMPONENTS	Capital gains	Profit on sale	Capital losses	Loss on sale	Net result
1. FINANCIAL ASSETS	501	-	(409)	(157)	(64)
1.1 Debt securities	7	-	-	-	7
1.2 Equities	-	-	-	-	-
1.3 UCITS units	-	-	(218)	(157)	(375)
1.4 Loans	494	-	(191)	-	303
2. FOREIGN CURRENCY ASSETS: EXCHANGE RATE DIFFERENCES	X	X	X	X	-
Total	501	-	(409)	(157)	(64)

Trading profit (loss) and capital gains (losses) from valuations are reported with balances opened by type of financial instrument.

This item includes capital gains and losses that are derived from the fair value measurement of financial assets/liabilities that are classified in the portfolio under item 20.c of Assets.

Section 8 - Net value adjustments/write-backs due to credit risk - Item 130

8.1 Net value adjustments due to credit risk relative to financial assets measured at amortised cost: breakdown

TRANSACTIONS/ INCOME COMPONENTS	Value adjustments (1)						Write-backs (2)				Total 31/12/2024	Total 31/12/2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit- impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired		
			Write-offs	Other	Write-offs	Other						
A. LOANS TO BANKS	(339)	(1)	-	-	-	-	1,516	266	-	-	1,442	3,397
- Loans	(200)	(1)	-	-	-	-	1,179	266	-	-	1,244	857
- Debt securities	(139)	-	-	-	-	-	337	-	-	-	198	2,540
B. LOANS TO CUSTOMERS	(9,041)	(10,181)	-	(914)	-	-	6,286	15,132	4,350	892	6,523	15,280
- Loans	(8,342)	(10,179)	-	(914)	-	-	5,922	15,078	4,350	892	6,806	15,324
- Debt securities	(699)	(2)	-	-	-	-	364	54	-	-	(283)	(43)
Total	(9,379)	(10,183)	-	(914)	-	-	7,801	15,398	4,350	892	7,965	18,678

For information about the new IFRS 9 models applied to the loan portfolio at 31 December 2024, please refer to Part A – Accounting Policies, Section 4 – Other Aspects of these Explanatory Notes.

For more detailed information pertaining to movements in net adjustments to loans, refer to Part E of these Explanatory Notes.

8.2 Net value adjustments due to credit risk relative to financial assets measured at fair value through other comprehensive income: breakdown

TRANSACTIONS/ INCOME COMPONENTS	Value adjustments (1)						Write-backs (2)				Total 31/12/2024	Total 31/12/2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit- impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired		
			Write-offs	Other	Write-offs	Other						
A. DEBT SECURITIES	(405)	-	-	-	-	-	276	-	-	-	(128)	(106)
B. LOANS	-	-	-	-	-	-	-	-	-	-	-	-
- To customers	-	-	-	-	-	-	-	-	-	-	-	-
- To banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	(405)	-	-	-	-	-	276	-	-	-	(128)	(106)

Section 9 – Profit/loss from contractual changes without derecognitions – Item 140

9.1 Profit (loss) from contractual changes: breakdown

Under this item, losses from contractual changes without derecognitions were recorded for EUR 21 thousand.

Section 10 – Administrative expenses – Item 160

10.1 Staff expenses: breakdown

TYPE OF EXPENSES/VALUES	Total 31/12/2024	Total 31/12/2023
1) EMPLOYEES	(77,870)	(67,462)
a) salaries and wages	(53,628)	(43,268)
b) social security contributions	(14,572)	(12,216)
c) severance indemnity	(3,027)	(2,583)
d) pension contributions	-	-
e) provision for severance indemnity	(37)	(45)
f) allocation to post-employment benefits:	-	-
- with defined contribution	-	-
- with defined benefit	-	-
g) payments to external supplementary post-employment benefits:	(2,419)	(2,026)
- with defined contribution	(2,419)	(2,026)
- with defined benefit	-	-
h) costs deriving from payment agreements based on own equity instruments	-	-
i) other employee benefits	(4,188)	(7,324)
2) OTHER OPERATING PERSONNEL	(14)	(9)
3) DIRECTORS AND AUDITORS	(3,656)	(3,644)
4) RETIRED PERSONNEL	-	-
5) RECOVERY OF EXPENSES FOR EMPLOYEES SECONDED TO OTHER COMPANIES	408	157
6) REIMBURSEMENT OF EXPENSES FOR THIRD-PARTY EMPLOYEES SECONDED TO THE COMPANY	(498)	(577)
Total	(81,631)	(71,535)

As well as the increase in the average headcount, the increase in staff expenses compared to the previous year is linked to the new CCNL contract for cooperative credit employees signed on 9 July 2024, which, among other things, provided for a “one-off” payment to employees of approximately EUR 1,147 thousand in July 2024.

10.2 Average number of employees by category

	Total 31/12/2024	Total 31/12/2023
EMPLOYEES (A+B+C)	789	695
a) executives	39	34
b) middle managers	315	276
c) remaining employees	435	385
OTHER PERSONNEL	18	18

The average number of employees includes employees of other companies seconded to the company and excludes employees of the company seconded to other companies.

In the case of part-time employees, 50% is conventionally taken into account. The average number is calculated as the weighted average of employees where the weight is given by the number of months worked per year.

10.3 Defined benefit post-employment funds: costs and revenue

For information on this point, please refer to that described in the Liabilities in the Balance sheet, Section 9, paragraph “9.2 Other information”.

10.4 Other employee benefits

ITEMS	Total 31/12/2024	Total 31/12/2023
SUNDRY STAFF EXPENSES		
1. allocation of loyalty bonus	(58)	(39)
2. insurance	(1,555)	(1,304)
3. staff leaving incentives	(255)	(4,000)
4. meal vouchers	(1,053)	(908)
5. training courses	(919)	(751)
6. other benefits	(348)	(322)
Other employee benefits	(4,188)	(7,324)

10.5 Other administrative expenses: breakdown

ITEMS	Total 31/12/2024	Total 31/12/2023
ICT expenses	(70,777)	(39,865)
Outsourced ICT expenses	(239)	(262)
ICT expenses other than outsourced ICT expenses	(70,538)	(39,603)
Taxes and levies (other)	(17,345)	(16,398)
Expenses for professional and consulting services	(53,446)	(53,460)
Advertising and entertainment expenses	(6,623)	(4,688)
Expenses related to debt collection	(177)	(132)
Expenses for real estate	(661)	(560)
Other administrative expenses - Other	(39,391)	(35,740)
of which: cash contributions to resolution funds and deposit guarantee systems	(544)	(9,003)
Total administrative expenses	(188,421)	(150,843)

The item "ICT expenses other than outsourced ICT expenses" (where the ICT services provided by Allitude S.p.A. are considered in accordance with supervisory regulations as not outsourced) includes an increase associated with ordinary management and development activities, intended to ensure adequate support for the business needs of the Affiliated Banks.

Section 11 - Net allocations to provisions for risks and charges - Item 170

11.1 Net allocations for credit risk relative to commitments to disburse funds and financial guarantees given: breakdown

ITEMS	31/12/2024			31/12/2023		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Allocations			Allocations			
COMMITMENTS TO DISBURSE FUNDS						
Commitments to disburse funds	(1,545)	(1,783)	(14)	(2,257)	(2,295)	-
FINANCIAL GUARANTEES GIVEN						
Financial guarantee contracts	(83)	(71)	-	(5)	(27)	-
Total allocations (-)	(1,629)	(1,854)	(14)	(2,262)	(2,322)	-
Reallocations			Reallocations			
COMMITMENTS TO DISBURSE FUNDS						
Commitments to disburse funds	733	792	14	3,739	1,118	-
FINANCIAL GUARANTEES GIVEN						
Financial guarantee contracts	1	35	-	17	-	81
Total reallocations (+)	735	827	14	3,755	1,118	81
Net allocation			Net allocation			
Total	(894)	(1,027)	-	1,493	(1,204)	81

11.2 Net allocations relative to other commitments and guarantees given: breakdown

The Bank does not hold any positions attributable to this case.

11.3 Net allocations to other provisions for risks and charges: breakdown

ITEMS	31/12/2024			31/12/2023		
	Allocations	Reallocations	Net total	Allocations	Reallocations	Net total
ALLOCATIONS AND REALLOCATIONS TO OTHER PROVISIONS FOR RISKS AND CHARGES						
1. for risks on revocatory actions	-	-	-	-	-	-
2. for charity	-	-	-	-	-	-
3. for personnel risks and charges	-	-	-	-	-	-
4. for legal and tax disputes	-	186	186	(1)	191	189
5. for other risks and charges	(76)	756	680	(74)	757	683
Total	(76)	942	866	(75)	947	872

Section 12 - Net value adjustments/write-backs to tangible assets - Item 180

12.1. Net value adjustments to tangible assets: breakdown

ASSET/INCOME COMPONENTS	Amortisation	Impairment losses	Write-backs	Net result
A. TANGIBLE ASSETS				
1. For business use	(4,336)	-	122	(4,214)
- Owned	(1,143)	-	-	(1,143)
- Rights of use acquired through lease	(3,193)	-	122	(3,071)
2. Held for investment purposes	-	-	-	-
- Owned	-	-	-	-
- Rights of use acquired through lease	-	-	-	-
3. Inventories	X	-	-	-
Total	(4,336)	-	122	(4,214)

The Bank has no tangible assets classified as held for sale pursuant to IFRS 5. For this reason, the table shown above does not include the dedicated item "B. Assets held for sale", which is where the result of the related measurement would be reported.

For further information, please refer to the contents of the corresponding section "Tangible assets" of the balance sheet assets.

Section 13 - Net value adjustments/write-backs to intangible assets - Item 190

13.1 Net value adjustments to intangible assets: breakdown

ASSET/INCOME COMPONENT	Amortisation	Impairment losses	Write-backs	Net result
A. Intangible assets				
of which: software	-	-	-	-
A.1 Owned	(90)	-	-	(90)
- Generated internally by the company	-	-	-	-
- Other	(90)	-	-	(90)
A.2 Rights of use acquired through lease	-	-	-	-
Total	(90)	-	-	(90)

Section 14 - Other operating income/expenses - Item 200

14.1 Other operating expenses: breakdown

ITEMS	Total 31/12/2024	Total 31/12/2023
Amortisation of improvements to non-separable third-party assets	(257)	(49)
Expenses for treasury contracts with General Governments	-	-
Expenses for transactions and indemnities	-	-
Non-existent items and contingencies not ascribable to own items	(24)	(176)
Bonuses and rounding down	(6)	(5)
Other operating expenses - other	(8)	(5)
Total other operating expenses	(295)	(235)

14.2 Other operating income: breakdown

ITEMS	Total 31/12/2024	Total 31/12/2023
Recovery of taxes	16,970	15,934
Charges to third parties for costs on deposits and current accounts	-	-
Recovery of insurance premiums	-	-
Receivable rents and payments	-	-
Recovery of other expenses	5,139	4,577
Non-existent items and contingencies not ascribable to own items	236	261
Badwill from Purchase Price Allocation	-	-
Bonuses and rounding up	-	-
Other operating income - other	79,384	20,870
Total other operating income	101,729	41,643

The item "Other operating income - other" is mainly composed of the recovery of costs incurred by the Parent Company on behalf of the Affiliated Banks, including centralised services relating to the performance of the activities of the corporate control functions, and recovery of costs incurred by the Parent Company for strategic and general Group activities.

Section 15 - Profit/(Loss) on equity investments - Item 220

15.1 Profit (loss) on equity investments: breakdown

INCOME COMPONENT/VALUES	Total 31/12/2024	Total 31/12/2023
A. INCOME	441	-
1. Revaluations	-	-
2. Gains from disposal	441	-
3. Write-backs	-	-
4. Other Income	-	-
B. EXPENSES	-	(4,976)
1. Write-downs	-	-
2. Impairment losses	-	(4,976)
3. Losses from disposal	-	-
4. Other expenses	-	-
Net result	441	(4,976)

The amount under sub-item "A2. Gains from disposal" includes the effect arising from the liquidation of the equity investment in Casse Rurali Raiffeisen Finanziaria S.p.A. in liquidazione.

Section 16 – Net result of fair value measurement of tangible and intangible assets – Item 230

16.1 Net result of fair value measurement (or revalued value) or estimated realisable value of tangible and intangible assets: breakdown

During the course of the year, no fair value measurement was implemented with respect to tangible or intangible assets.

Section 17 – Value adjustments to goodwill – Item 240

17.1 Value adjustments to goodwill: breakdown

The Bank has not registered any asset item as goodwill.

Section 18 – Profit (Loss) from disposal of investments – Item 250

18.1 Profit (loss) from disposal of investments: breakdown

INCOME COMPONENT/VALUES	Total 31/12/2024	Total 31/12/2023
A. REAL ESTATE	-	-
- Gains from disposal	-	-
- Losses from disposal	-	-
B. OTHER ASSETS	62	6
- Gains from disposal	67	7
- Losses from disposal	(4)	(1)
Net result	62	6

Section 19 – Income taxes for the year on current operating activities – Item 270

19.1 Income taxes for the year on current operating activities: breakdown

INCOME COMPONENTS/VALUES		Total 31/12/2024	Total 31/12/2023
1.	Current taxes (-)	204	2,089
2.	Changes in current taxes of previous years (+/-)	26	213
3.	Decrease in current taxes of the year (+)	369	-
3. bis	Decrease in current taxes of the year for tax credits pursuant to Law no. 214/2011 (+)	3,529	-
4.	Change in advance taxes (+/-)	(4,371)	(844)
5.	Change in deferred taxes (+/-)	-	-
6.	Income taxes for the year (-) (-1+/-2+3+3bis+/-4+/-5)	(243)	1,458

Current taxes were booked in accordance with currently effective legislation:

- IRES: 27.5% including surcharge;
- IRAP: 5.57% for the Value of Production realised in the Province of Trento. Provincial Law no. 21 of 30 December 2015 provides that only banking companies operating in the province of Trento shall have an IRAP rate of 5.57% for the year 2024.

The item “Current taxes” includes the positive effect arising from the transfer of the offsettable tax loss of Cassa Centrale under the national tax consolidation, an option which was exercised for the 2023-2025 three-year period.

The change in current taxes of previous years, positive for EUR 26 thousand, comprises the adjustment of current taxes for the previous year while the reduction in current taxes, for EUR 3,529 thousand, is measured in order to highlight the transformation into receivables from the tax authorities of the deferred tax assets qualified as a result of the tax loss associated with the portion of write-downs of receivables not yet deducted, in accordance with the indications set forth in the Bank of Italy “Roneata” Letter dated 7 August 2012; this reduction is entirely offset in the changes in the deferred tax assets considering that the transformation of the DTAs into tax credits did not have any impact on the income statement, in accordance with that which is indicated in the said “Roneata” letter and in document no. 5 of 15 May 2012 of the Working Group formed of Bank of Italy, CONSOB and ISVAP. The residual amount of the changes in advance taxes for EUR 842 thousand is formed of the difference between the balance of the increase and decrease in deductible temporary differences, as per Table 10.3 Changes in advance taxes (through the income statement) (points 2.1.d and 3.1.a).

19.2 Reconciliation between the theoretical tax charge and the effective tax charge in the financial statements

INCOME COMPONENTS	Tax
Profit from current operating activities, gross of tax (item 260 of the income statement)	37,217
IRES income taxes - theoretical fiscal charge:	(14,738)
Effects of decreases in taxable income on IRES	16,573
Effects of increases in taxable income on IRES	(1,835)
A. EFFECTIVE FISCAL CHARGE – CURRENT IRES TAX	-
Increases in deferred tax assets	-
Decreases in deferred tax assets	(3,951)
Increases in deferred tax liabilities	-
Decreases in deferred tax liabilities	-
B. TOTAL EFFECTS OF DEFERRED IRES TAXATION	(3,951)
C. CHANGES IN CURRENT TAXES OF PREVIOUS YEARS	4,852
D. TOTAL ACCRUED IRES (A+B+C)	901
Theoretical fiscal charge for IRAP with application of nominal rate (difference between net interest and other banking income and allowable deductible costs):	(334)
Effect of decreases in value of production	4,299
Effect of increases in value of production	(5,051)
Changes in current taxes of previous years	362
E. EFFECTIVE FISCAL CHARGE – CURRENT IRAP TAX	(724)
Increases in deferred tax assets	-
Decreases in deferred tax assets	(420)
Increases in deferred tax liabilities	-
Decreases in deferred tax liabilities	-
F. TOTAL EFFECTS OF DEFERRED IRAP TAXATION	(420)
G. TOTAL ACCRUED IRAP (E+F)	(1,144)
H. IRES/IRAP SUBSTITUTE TAX FOR EXEMPTION OF MISMATCHES	-
TOTAL IRES - IRAP CURRENT TAXES (A+C+E+H)	4,128
TOTAL IRES - IRAP ACCRUED TAXES (D+G+H)	(243)

Section 20 – Profit/(Loss) after tax from discontinued operations – Item 290

20.1 Profit (loss) after tax from discontinued operations: breakdown

During the course of the year, the Bank did not proceed with disposals of groups of assets. This section does not contain any evaluation and is therefore omitted.

Section 21 – Other information

There is no further information other than that already provided.

Section 22 – Earnings per share

ITEMS	31/12/2024	31/12/2023
Net result of the Group	(36,975)	(31,123)
Reversal of result of minority interests	-	-
NET RESULT OF THE PARENT COMPANY	36,975	31,123
Number of ordinary Parent Company shares outstanding	18,158	18,158
Number of preference Parent company shares outstanding	150	150
Number of own shares	-	-
NUMBER OF SHARES OUTSTANDING	18,308	18,308
Income per ordinary share outstanding (Basic EPS) in Euro	2.04	1.71
Income per share outstanding (diluted EPS) in Euro	2.02	1.70

With regard to the above, it should be noted that, given that the share capital is also represented by preference shares, the economic result which is attributable to parties owning ordinary equity instruments is given by the profit for the year minus the dividends paid to preference shares. The calculation of the basic EPS therefore differs from that of the diluted EPS.

22.1 Average number of ordinary shares with diluted capital

In view of that previously stated, this scenario is considered irrelevant.

22.2 Other information

In view of that previously stated, this scenario is considered irrelevant.

PART D - Comprehensive income

Analytical statement of comprehensive income

ITEMS		Total 31/12/2024	Total 31/12/2023
10.	Profit (loss) for the year	36,975	31,123
	Other components of income without reversal to the income statement	1,565	3,234
20.	Equities measured at fair value through other comprehensive income:	1,875	3,621
	a) change in fair value	1,675	3,621
	b) transfers to other components of equity	200	-
30.	Financial liabilities measured at fair value through profit or loss (changes in credit rating):	-	-
	a) change in fair value	-	-
	b) transfers to other components of equity	-	-
40.	Hedging of equities measured at fair value through other comprehensive income:	-	-
	a) change in fair value (hedged instrument)	-	-
	b) change in fair value (hedging instrument)	-	-
50.	Tangible assets	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	(3)	(166)
80.	Non-current assets and groups of assets held for disposal	-	-
90.	Quota of reserves from the valuation of shareholdings measured with the equity method	-	-
100.	Income taxes on other income components without reversal to the income statement	(307)	(220)
	Other components of income with reversal to the income statement	9,943	9,111
110.	Hedging of foreign investments:	-	-
	a) changes in fair value	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
120.	Exchange rate differences:	-	-
	a) value changes	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
130.	Cash flow hedging:	-	-
	a) changes in fair value	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
	of which: result of net positions	-	-

ITEMS		Total 31/12/2024	Total 31/12/2023
140.	Hedging instruments (non-designated elements):	-	-
	a) value changes	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
150.	Financial assets (other than equities) measured at fair value through other comprehensive income:	14,799	13,611
	a) changes in fair value	2,088	12,758
	b) reversal to income statement	12,711	853
	- credit risk adjustments	114	6
	- profit/loss on sale	12,597	848
	c) other changes	-	-
160.	Non-current assets and groups of assets held for disposal:	-	-
	a) changes in fair value	-	-
	b) reversal to income statement	-	-
	c) other changes	-	-
170.	Quota of reserves from the valuation of shareholdings measured with the equity method:	-	-
	a) changes in fair value	-	-
	b) reversal to income statement	-	-
	- adjustments for impairment	-	-
	- profit/loss on sale	-	-
	c) other changes	-	-
180.	Income taxes on other income components with reversal to the Income Statement	(4,856)	(4,499)
190.	Total other income components	11,508	12,346
200.	Comprehensive income (Item 10+190)	48,482	43,469

PART E - Information on risks and related hedging policies

Introduction

The Bank pays particular attention to risk management and governance and operates by ensuring the constant evolution of its organisational/procedural controls and methodological solutions used for measuring and monitoring. These activities are carried out with tools aimed at supporting effectively and efficiently the governance of risks, also in response to changes in the reference operational and regulatory environment. As required by the regulations on the reform of cooperative credit, the outsourcing of control functions at Cassa Centrale Banca by the Affiliated Banks of the Cooperative Banking Group is operational. It is therefore the task of Cassa Centrale Banca to define the guidelines for risk measurement and management.

The risk management strategy is based on a holistic view of business risks and considers both the macroeconomic scenario and the individual risk profile, stimulating the growth of the risk control culture and reinforcing a transparent and accurate representation of risks. In this context, it should be noted, as a natural continuation of the process to strengthen the Bank's process of identifying climate and environmental risks, that the outcomes of the impact assessments of climate-related and environmental factors in the short, medium and long term in the context in which the Bank operates or could operate were formalised.

The risk assumption strategies are summarised in the Risk Appetite Framework (hereinafter also referred to as "RAF") adopted by the Board of Directors of the Parent Company, i.e. the reference framework that defines – consistently with the maximum risk that can be assumed, the business model and the strategic plan – the risk appetite, the tolerance thresholds, the risk limits, the risk management policies, the reference processes necessary to define and implement them. The RAF, introduced to ensure that risk-taking activities are in line with shareholders' expectations and comply with the overall regulatory and prudential framework of reference, is defined in light of the company's overall risk position and the economic/financial situation.

The framework is developed by the Parent Company and is divided into the following main areas:

- organisational, through (i) the definition of the tasks of the corporate bodies and functions involved in the RAF; (ii) the updating of organisational and governance documents with regard to the main risk profiles (credit and counterparty, concentration, interest rate, market, liquidity, operational) and references for the management of the related interrelationships (risk management policies, risk management process, internal processes for determining and assessing capital adequacy so-called ICAAP-ILAAP, strategic and operational planning, internal control system, incentive system, major operations, etc.) within a framework of overall consistency; (iii) the definition of the relevant information flows;
- methodological, through (i) the definition of indicators, of operational references for their evaluation and the setting of inherent thresholds; (ii) the declination of the objectives and indicators identified in the system of operational limits;
- application, through the reconnaissance of the areas of intervention on the application supports for risk management and supervisory processes (risk measurement, supervisory reporting, ICAAP-ILAAP, simulation/forecasting, alerting activities, reporting, etc.) and the definition of the functional requirements for the related development.

The framework defines both the general principles in terms of the company's risk appetite and the controls adopted with regard to the overall risk profile and the main specific risks.

The general principles that guide the company's risk-taking strategy are referred to below:

- the company's business model is focused on the traditional credit activity of a commercial bank, with a particular focus on financing small and medium-sized enterprises and households;
- the objective of the company's strategy is not to eliminate risks but to fully understand them in order to ensure their conscious assumption and management in order to guarantee the long-term solidity and continuity of the company;
- limited risk appetite; capital adequacy, income stability, solid liquidity position, attention to maintaining a positive corporate reputation, strong control over the main specific risks to which the company is exposed represent key elements on which the entire company's operations are based;
- formal and substantial compliance with the rules with the aim of not incurring sanctions and maintaining a solid relationship of trust with all company's stakeholders.

The RAF represents, therefore, the overall framework within which the overall management of the risks assumed is placed and the general principles of risk propensity are defined and the consequent articulation of the controls against the overall corporate risk and the main specific risks.

The overall risk profile is monitored by a structure of limits based on the need to ensure compliance with the required minimum levels of solvency, liquidity and profitability, even under stressful conditions.

In particular, overall risk management aims to maintain adequate levels of:

- capitalisation, with reference to Pillar I and Pillar II risks, through the monitoring of the Common Equity Tier 1 ratio, the Tier 1 ratio, the Total Capital ratio and the financial leverage indicator;
- liquidity, such as to cope with periods of tension, even prolonged ones, on the various funding supply markets with reference to both the short-term situation and the structural situation, by monitoring the limits inherent in the Liquidity Coverage ratio, stable funding, loan-collection gap;
- profitability, through the monitoring of indicators such as cost-income and ROA.

The definition of the RAF and the resulting operational limits on the main specific risks mentioned above, the use of risk assessment tools within the credit management processes and the reference control and monitoring of operational and compliance risks, capital adequacy assessment measures and risk capital measures for the assessment of company performance, are the cornerstones of the operational declination of the risk strategy defined by the Board of Directors.

In the same context, reporting to corporate bodies is defined, which aims to provide on a periodic basis summary information on the evolution of the Bank's risk profile, taking into account the defined risk appetite. The relative system is designed to support the preparation of a holistic representation of the risk profiles to which the Bank is exposed.

The definition of the RAF is based on an articulated and complex process involving the various business units of the Bank. This process is developed in coherence with the ICAAP-ILAAP process and represents the framework within which the annual budget and the business plan are developed, ensuring coherence between risk taking strategies and policies on the one hand, and planning and budgeting processes on the other.

The specific policies and regulations issued by Cassa Centrale Banca have been adopted to strengthen the overall system of governance and risk management.

The risk governance model, i.e. the set of corporate governance and management and control mechanisms aimed at tackling the risks to which the Bank is exposed, is part of the broader framework of the company's internal control system, which is addressed by Cassa Centrale Banca as part of the outsourcing contract, defined in accordance with the prudential supervisory provisions for banks set out in Bank of Italy Circular no. 285/2013 (Part One, Title IV, Chapter 3).

Consistently with these references, all company risks are monitored within the framework of an organisational model based on the full separation of control functions from production functions, which integrates control methodologies and processes at different levels, all of which converge with the objectives of continuously detecting, measuring and verifying the risks typical

of company activities, safeguarding the integrity of company assets, protecting against losses, guaranteeing the reliability and integrity of information, and verifying the correct performance of activities in compliance with internal and external regulations.

The internal control system consists of all the rules, functions, structures, resources, processes and procedures that aim to ensure, in compliance with sound and prudent management, the achievement of the following objectives:

- verification of the implementation of company strategies and policies;
- containment of the risk within the limits defined in the adopted RAF;
- safeguarding the value of assets and protection against losses;
- effectiveness and efficiency of operating processes;
- reliability and security of company information and IT procedures;
- prevention of the risk that the Bank may be involved, even involuntarily, in illegal activities, with particular reference to those connected with money laundering, usury and terrorist financing;
- compliance of operations with the law and supervisory regulations, as well as with internal policies, regulations and procedures.

The internal control system therefore involves the entire corporate organisation (administrative bodies, structures, hierarchical levels, personnel).

* * *

In line with the provisions issued by the Bank of Italy, the model adopted by the Bank outlines the main responsibilities of the governance and control bodies in order to ensure the overall effectiveness and efficiency of the internal control system.

A joint examination of the supervisory regulations and the Bank's Articles of Association shows that the strategic supervision function and the management function are founded within the organic and integrated action of the Board of Directors. In the Parent Company there is the figure of the Chief Executive Officer who also incorporates the functions of the General Manager. The Chief Executive Officer is appointed by the Board of Directors by conferring certain powers and responsibilities pursuant to Article 2381, second paragraph of the Italian Civil Code. For the functions assigned to the Chief Executive Officer, reference should be made to Article 34.2 of Cassa Centrale Banca's Articles of Association.

The strategic supervision function is expressed in the guidance of the corporate management through the preparation of the strategic plan, within which the Risk Appetite Framework (RAF) is inserted, and through the approval of the ICAAP-ILAAP and the budget. This function is carried out by ensuring consistency between the internal control system and the organisation within the cooperative credit "business model". It should be noted that only a consolidated ICAAP/ILAAP report is formally required by the Supervisory Authority and no longer individual documents; the contributions of the individual Group companies are taken into account in the preparation of the report. However, when updating the annual RAS, the Parent Company defines a forward-looking positioning at individual level in terms of capital and liquidity and other relevant risks, and compliance with it is verified on a quarterly basis. Furthermore, analyses relating to the Guarantee Agreement, which allow banks to be assessed in terms of capital and liquidity and thus define the Fund's allocation, and the quarterly monitoring of the Risk-Based model, which classifies banks according to different risk profiles, also provide support.

The management function, to be understood as the set of decisions that a corporate body takes for the implementation of the guidelines resolved in the exercise of the strategic supervision function, is the responsibility of the Board of Directors with the technical contribution of the Chief Executive Officer of Cassa Centrale Banca, who takes part in the meetings of the Board of Directors. This function is mainly carried out in the following ways:

- resolutions passed by the Board of Directors, also on the proposal of the Chief Executive Officer, in compliance with the provisions of the Articles of Association;
- resolutions of the Executive Committee, normally on the proposal of the Chief Executive Officer, in the delegated areas;

- decisions of the Chief Executive Officer and the corporate structure in the delegated areas.

In accordance with the Articles of Association, the Chief Executive Officer is then responsible for implementing the resolutions of the Board of Directors and the Executive Committee and has the task of supervising the organisational functioning, the performance of operations and the functioning of services, ensuring that the Bank is managed as a single entity.

The Chief Executive Officer, as head of personnel, ensures constant attention to the training of employees, also acting as a lever to spread the culture and techniques of risk management and control. He/she also involves the governing body for the approval of training plans and supports it in identifying training methods and content from time to time useful for the development of the directors themselves.

The Board of Statutory Auditors represents the body with control functions and, as it is responsible for corporate control, supervises the correct application of the law and the Articles of Association and, specifically, the adequacy of the internal control system and the effectiveness of the work of the corporate control functions, also making use of the information flows that they carry out.

* * *

The provisions in relation to the internal control system, information system and business continuity accentuate the need for a prior definition of the reference framework for carrying out banking activities in terms of risk appetite, setting a frame of reference that banks must apply consistently to operational contexts, size and degree of complexity. This reference framework is defined in the RAF, i.e. the system of risk objectives, and it involves the ex ante setting of the risk/return objectives that the Bank intends to achieve in order to ensure the necessary consistency of application at consolidated level.

The main purpose of the RAF is to ensure that the intermediary's activity develops within the risk appetite limits set by the corporate bodies.

The RAF is an obligatory reference point for the implementation, within the strategic plan, of a reasoning that leads to establishing the Bank's propensity to risk and that translates into risk management policies, expressed through the definition of quantitative parameters and qualitative indications consistent with it.

This reference framework is delivered through the development of the strategic plan from an RAF perspective, with which the budget, ICAAP-ILAAP and operational planning are linked.

The Risk Appetite Framework (RAF) and the related risk governance policies, summarised in the strategic plan, are consistently implemented in risk management, which takes the form of an implementation method that integrates approach phases (summarised in the so-called risk management process) and operational phases for the execution of the set objectives.

It involves both the Board of Directors (for resolutions falling within its remit) and Corporate Management, who - also with the support of the heads of the operational functions involved from time to time and the second-level control function contacts for the powers for which they are responsible - prepare the proposals to be submitted to the Board of Directors, draw up their own provisions and organically oversee the operational risk management activities.

Consequently, risk management is configured as a set of limits, delegations, rules, procedures, resources and first- and second-level line controls as well as operational activities through which risk management policies are implemented.

The supervisory regulations require banks to have adequate systems of risk detection, measurement and control, or an adequate internal control system as defined above.

The controls involve the entire structure, starting from the corporate bodies and the Management and are then articulated in:

- line controls, the main objective of which is to verify the correctness of operations with respect to external/self-regulation rules;

- second-level controls (Risk Management, Compliance and Anti-Money Laundering), aimed at implementing controls on risk management, the correct application of legislation and the management of the risk of money laundering and terrorist financing;
- third level controls (Internal Audit), aimed at identifying anomalous trends in procedures and regulations and assessing the functionality of the overall internal control system.

The Internal Audit Department, which oversees the third level of control, checks the other control systems, activating periodic sessions aimed at monitoring risk variables.

During the year, Audits mainly focused on the following corporate processes:

- strategic planning;
- ICAAP/ILAAP report;
- Risk Appetite Framework;
- reputational risk;
- risk-based model;
- risk culture;
- ESG;
- remuneration policies;
- AML self-assessment model;
- compliance function;
- transparency obligations;
- related parties;
- funding plan;
- rating models;
- credit granting and NPL management;
- collateral management;
- management of MSTs;
- calendar provisioning;
- expenditure governance;
- separate accounting;
- cash management;
- virtual banking;
- ICT measures (incident management, IT risk management, change management);
- other topics.

Section 1 - Credit risk

Qualitative information

1. General aspects

The objectives and strategies of the Bank's lending activities are geared towards the pursuit of an efficient relationship between the characteristics of the distribution model typical of cooperative credit, based on mutuality and localism, and effective monitoring of credit risk. The Bank's lending activities are also integrated into the organisational model of the Cassa Centrale Group, which aims to ensure the application of uniform rules and criteria in the assumption and management of credit risk through progressive standardisation of instruments.

In particular, such objectives and strategies are mainly targeted at:

- the achievement of a loan growth target that is sustainable and consistent with the defined risk appetite;
- an efficient selection of individual counterparties, through a complete and accurate analysis of their ability to meet their contractual commitments, aimed at containing credit risk;
- the diversification of credit risk, by identifying loans of limited amounts as the Bank's natural operating area, as well as limiting the concentration of exposures to groups of connected customers or individual lines of business;
- the verification of the persistence of the creditworthiness of the financed clients as well as the performance monitoring of the individual reports carried out, with the help of the information system, both on regular positions as well as and especially on positions with anomalies and/or irregularities.

The commercial policy on credit facilities is oriented to the financial support of the local economy and is characterised by a high propensity to entertain trust and personal relationships with households, craft workers and small-medium enterprises in their territory of reference, as well as a particular operational vocation in favour of customer-shareholders. Moreover, no less important is the support function performed by the Bank in favour of certain categories of economic and social operators who, due to their legal structure, their purely local scope of action or the reduced profitability they can bring to the Bank, tend to be excluded from access to ordinary bank credit.

The significant share of lending represented by residential mortgages, offered according to different types of products, is evidence of the Bank's particular focus on the household sector.

The micro and small businesses and the craft segment is another sector of particular importance for the Bank. In this context, the Bank's strategies are aimed at establishing medium-long term credit and service relationships through the offer of targeted products and services and personal and collaborative relationships with the same customers. The conventions or partnership agreements reached with the provincial Credit Guarantee Consortia or with other subjects working in support of the development of the local economic fabric are also included in this perspective.

The granting of credit is mainly directed towards the lines of business most consistent with the Bank's credit policies, which, among other things, take account of the exposure to ESG risk factors (transition risks and physical risks), and with the positive economic dynamics that historically and currently characterise the territory in which the Bank operates.

Please refer to the public disclosure ("Third Pillar"), provided at consolidated level, in accordance with the provisions of the "Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis" published by the EBA (EBA/GL/2020/07).

Exposure to counterparty risk in non-speculative OTC derivative transactions is very limited because it is exclusively assumed in relation to primary market institutions and balanced with specular but opposite transactions with the Affiliated Banks; netting and collateralisation agreements were also signed to further mitigate counterparty risk.

2. Policies for managing credit risk

2.1 Organisational factors

In carrying out its activities, the Bank is exposed to the risk that receivables, for whatever reason, are not honoured by third party debtors at maturity and, therefore, losses must be recorded in the financial statements.

This risk is mainly found in the traditional activity of granting secured or unsecured loans recorded in the financial statements, as well as in similar transactions not recorded in the financial statements (mainly available margins on overdrafts, or endorsement credits) and the potential causes of default lie largely in the financial difficulties of the counterparty and to a lesser extent in reasons independent of the financial condition of the counterparty, such as country risk or operating risks. Activities other than traditional lending also further expose the Bank to credit risk (e.g. subscription of non-speculative OTC derivative contracts).

Credit-policy guidelines defined by the Board of Directors of the Bank and reviewed periodically in light of the changing context, ensure consistent conduct and objectives within the Bank through the definition of shared guidelines on criteria and methods for assessing and managing credit, also taking into account ESG risk factors. These guidelines are adopted by the Parent Company and the Affiliated Banks as part of the granting and renewal of credit lines.

The Group Regulation on the granting of loans uniformly defines the process for granting and managing performing loans, allowing the individual Affiliated Banks to autonomously determine the operational units required to perform the different stages of the process. This decision, deemed necessary in view of the decentralisation that characterises the Cassa Centrale Group, aims to enhance the unique characteristics of the different banks, both in terms of their commercial approach to the region and in terms of effective risk management. In any case, and in compliance with regulatory provisions on Internal Audits, a clear division of roles and responsibilities is established between the commercial component, the functions responsible for identifying and managing positions classifiable as NPEs, and the Control Functions, including the Risk Management Department.

As at 31 December 2024, the Bank had 13 regional offices and 1 branch office in the country.

The Credit Department is the central body responsible for designing the entire performing loan granting and management process, as well as the coordination and development of loans.

The allocation of tasks and responsibilities within this Department aims - to the extent that is feasible - to separate activities that are in conflict of interest, particularly through an opportune ranking of authorisation profiles in the IT field.

The NPL Department is the body with the following functions:

- coordination of the management of the group's non-performing loan portfolio by defining, implementing and monitoring the group's NPE strategy;
- definition of management processes of impaired loans;
- governance of the monitoring process of the entire loan portfolio, in order to promptly intercept the deterioration of credit quality and ensure the correct classification of customers between performing and non-performing loans.

In light of the provisions on the internal control system (contained in Bank of Italy Circular no. 285/2013, Part One, Title IV, Chapter 3), the Bank has adopted an organisational structure that is functional to achieving an efficient and effective credit risk management and control process consistent with the Group framework.

In addition to line controls, as first level activities, the functions outsourced to the Parent Company in charge of second-level and third-level controls, with the collaboration of their respective contact persons, are responsible for measuring and monitoring risk trends and for the correctness/adequacy of management and operational processes.

Control activity over credit risk management (as well as financial and operational risks) is carried out by the risk control function (Risk Management Department).

Specifically, the function provides a preventive contribution in the definition of the RAF and related risk management policies, in setting operational limits to the assumption of the various types of risk.

Specifically, the function:

- releases its prior assessment of the Group Governance Rules, including the first-level internal regulations on the credit sector, in order to assess their consistency with the overall risk management and control framework it oversees. Excluded are documents for which the Function, given the nature of the contents and/or changes, does not see any impact on the framework it oversees. The evaluation is issued as described in the Group policy for managing internal regulations;
- carries out second-level checks on credit exposures;
- ensures systematic monitoring of the degree of exposure to risks, the adequacy of the RAF and the consistency between operations and the actual risks assumed by the Bank with respect to the risk/return objectives and the related pre-established limits or thresholds;
- contributes to the preparation of the ICAAP-ILAAP report, in particular by verifying the appropriateness of the variables used and consistency with the risk objectives approved under the RAF;
- monitors compliance with regulatory requirements and prudential supervisory ratios, analysing and commenting on their characterisations and dynamics;
- formalises prior opinions on the consistency with the RAF of the most significant transactions, possibly acquiring the opinion of other functions involved;
- contributes to the organisational set up/maintenance and regulates the operational processes (credit, funding, finance, collection/payments, ICT) adopted for the management of the various types of risk, verifying the adequacy and effectiveness of the measures taken to remedy the deficiencies found;
- contributes to the definition/revision of quantitative risk measurement methodologies and, by interacting with the accounting function and referring to the system contributions for the preparation of the financial statements, contributes to a correct classification and evaluation of the company's activities.

2.2 Management, measurement and control systems

With regard to lending activities, the Credit Departments and the NPL Department of the Parent Company ensure the supervision and coordination of the operational phases of the lending process, make decisions within the scope of their powers and carry out the controls for which they are responsible.

The entire credit management, control and classification process is governed by the Group Regulations on the granting of loans, Group Regulations for the classification and valuation of loans, Group Regulations for monitoring and first-level controls on credit risk, Group Regulations for the management of impaired loans, which regulate the criteria and methods for:

- assessment of creditworthiness;
- review of credit lines;
- classification of loans;
- definition of credit risk monitoring and control activities;

- management and recovery of loans classified as non-performing;
- determination of provisions on exposures classified as non-performing.

With reference to transactions with related parties, the Bank has adopted specific deliberative procedures aimed at controlling the risk that the proximity of certain parties to the decision-making centres of the same may compromise the impartiality and objectivity of decisions relating, among others, to the granting of loans. From this perspective, the Bank is also equipped with recognition tools and an IT procedure aimed at supporting the correct and complete registration of associated parties. These references have been supplemented by updating, where deemed necessary, the resolutions, regulations and proxies already in use. The Group Regulation for the management of transactions with associated parties was also adopted.

In compliance with the provisions of the Group Regulations for the granting of loans, the Group Regulations for the classification and valuation of loans, the Group Regulations for monitoring and first-level controls on credit risk and the Group Regulations for the management of impaired loans, specific procedures were put in place for the investigation/deliberation, credit line revision and credit risk monitoring and control phases, classification of loans and definition of recovery strategies for impaired loans. All of the above phases apply qualitative and quantitative criteria to assess the creditworthiness of the counterparty.

Opportunities for enquiry/deliberation and the review of credit lines are regulated by a deliberative process involving the various competent bodies of the Bank, in accordance with the levels of delegation provided for in the Internal Regulation, adopted in line with the Group Regulation on the granting of loans. The Parent Company can intervene on the loan granting practices of individual affiliated banks in the event that they exceed the maximum credit limits permitted for individual counterparties, set by the Parent Company on a personalised basis for each individual bank, taking into account the own funds and creditworthiness of the same. These phases are supported by IT procedures that allow, at any time, the verification (by all credit management functions) of the status of each position already assigned or being assigned, as well as to reconstruct the process that led to the definition of the creditworthiness of the borrower (through the recording and archiving of the decision-making process and the types of analysis carried out).

During the investigation, for requests for significant amounts of credit facilities, the evaluation, including prospective, is structured on several levels and is based mainly on economic-financial data, on the personal knowledge of the counterparty and its guarantors, as well as verification of the degree of exposure to ESG risk factors. Different types of investigation/revision have been provided for; some are simplified, reserved for the investigation/revision of exposures of limited amount referring to parties who have a regular performance, others are ordinary, for the remaining type of practices.

The IT monitoring procedure adopted by the Bank, using internal management information and data acquired from external providers, makes it possible to identify the various signs of anomalies among the customers with credit lines. The constant monitoring of the reports provided by the procedure therefore allows timely intervention in the event of anomalies and to take the appropriate measures to resolve them and/or correctly classify the individual position.

All fiduciary positions are also subject to periodic review, carried out for each individual counterparty/economic group to which they belong by the relevant structures per credit limit.

The credit chain is also monitored at every stage (granting, performance monitoring, classification, NPL management, collateral management, provisioning) by the Risk Management Department through a specific dedicated control framework based on preliminary quarterly risk assessments carried out on a massive scale through specific sets of dedicated key risk indicators, aimed at providing an initial measurement of the potential risk occurred from the individual scope, also taking into account the historical evolution (cross time comparison) of the same and its positioning with respect to the banking group (cross section comparison). This can also be used to detect possible risk drivers of the functional compartment to assess any single name analytical insights on the individual scopes in question to support the evidence of potential risk detected by the aforementioned massive models, and to launch in specific cases measures to strengthen the process components characterised by weaknesses.

In recent years, the revision of international prudential regulations as well as the evolution in the banking world have further pushed cooperative credit to develop methods and systems to control credit risk. With this in mind, a strong commitment has

been maintained in the progressive development of IT tools for monitoring credit risk, which has led to the creation of an advanced system for assessing the creditworthiness of companies and the risk/return profile.

Consistently with the operational and governance specificities of the credit process, the management system has been designed with a view to achieving an adequate integration between quantitative information (Financial Statements, Central Credit Register, Relationship Performance, Socio-Demographic Profile) and qualitative information accumulated by virtue of the peculiar customer relationship and its roots in the territory.

For the purposes of determining the minimum capital requirement for credit risk, the Bank adopts the standardised methodology and, in this context, has decided to:

- make use of Rating models, developed on a statistical basis and using credit scoring methodology, for the measurement and evaluation of creditworthiness and related provisions for ordinary and interbank customers³⁷;
- adopt the standardised methodology for the calculation of the capital requirement for credit risk (Pillar I).

Moreover, with reference to the internal capital and liquidity adequacy assessment process (ICAAP-ILAAP) provided for in Pillar II of the new prudential regulations and in order to determine internal capital, the Bank has opted for the adoption of simplified methodologies.

In addition, stress tests were carried out in accordance with the management methods established within the Group.

The Bank therefore periodically carries out such stress tests through sensitivity analyses that take the form of an assessment of the effects of specific events on the Bank's risks.

With reference to credit risk, stress tests are carried out by the Bank as follows: in particular, the stress exercise is intended to measure the change in the exposures of the Regulatory portfolios due to the application of an adverse scenario compared to a baseline scenario.

The aggregates subjected to stress analysis are:

- gross volumes of performing loans to customers;
- rate of deterioration of performing loans to customers and related write-offs;
- coverage ratio of performing and impaired loans to customers;
- fair value of the HTCS securities portfolio.

For the identification of the two market scenarios, reference is made to the information provided by an external provider also based on the main assumptions established by the European Banking Authority for the purpose of the 2018 Stress Test.

With reference to operations on the securities markets, the Finance Department of the Bank carry out valuation and control activities both during the purchase of financial instruments and at subsequent times when the composition of the segment by asset class or IAS/IFRS portfolio is periodically analysed, the level of specific risk or counterparty risk is determined and compliance with the limits and powers assigned is verified.

2.3 Methods of measuring expected losses

IFRS 9 introduced, for instruments measured at amortised cost and fair value through other comprehensive income (other than equity instruments), a model based on the expected loss concept, replacing the incurred loss approach provided by IAS 39.

The changes introduced by IFRS 9 are characterised by a prospective view which, in given circumstances, may require the immediate recognition of all expected losses over the life of a loan. In particular, unlike IAS 39, it is necessary to recognise, im-

³⁷ The rating models developed are subject to annual review by Cassa Centrale Banca. During the year, under the supervision of the Risk Management Department, credit risk models were refined and updated. For more details see paragraph 2.3.

mediately and regardless of the presence or not of a so-called trigger event, the initial amounts of expected future losses on own financial assets, and this estimate should be continuously adjusted also in consideration of the counterparty credit risk. In order to prepare this estimate, the impairment model should not only consider past and present data, but also information relating to future events.

This forward-looking approach makes it possible to reduce the impact of the losses and enable loan adjustments to be posted in proportion to the increase in risks, allowing entities to avoid overloading the income statement on the occurrence of loss events and reducing the pro-cyclical effect.

The scope of application of the new model for measuring expected losses on loans and securities subject to impairment adopted refers to financial assets (loans and debt securities), commitments to disburse funds, guarantees and financial assets not subject to measurement through FVTPL. For credit exposures falling within the scope of application³⁸ of the new model, the accounting standard provides for the allocation of individual relationships to one of three stages based on changes in credit quality, defined on an expected credit loss model at 12 months or full life if a significant increase in risk (lifetime) has occurred. In particular, there are three different categories reflecting the credit quality deterioration model from initial recognition, which make up the stage allocation:

- in stage 1, positions that do not present, at the valuation date, a significant increase in credit risk (SICR, specific or collective in nature) or which can be identified as 'low credit risk';
- in stage 2, positions that, at the reference date, present a significant increase or that do not present the characteristics to be identified as 'low credit risk';
- in stage 3, non-performing positions³⁹.

The estimate of expected loss using the Expected Credit Loss (ECL) criteria, for the classifications defined above, takes place on the basis of the allocation of each position into the three reference stages, as detailed below:

- stage 1, expected loss must be calculated on a time horizon of 12 months⁴⁰;
- stage 2, expected loss must be calculated by considering all the losses that are expected to be incurred over the entire life of the financial asset (lifetime expected loss): therefore, with respect to the calculation performed in accordance with IAS 39, there is a shift from the estimate of incurred loss over a time horizon of 12 months to an estimate that takes into consideration the entire residual life of the loan; in addition, given that IFRS 9 requires entities to also adopt forward-looking estimates for the calculation of the lifetime expected loss, it is necessary to consider the scenarios connected with macro-economic variables (e.g. GDP, unemployment rate, inflation, etc.) which, through a macro-economic statistical model, are able to estimate the forecasts over the residual duration of the loan;
- stage 3, the expected loss must be calculated with a lifetime perspective, but unlike stage 2 positions, the calculation of the expected lifetime loss is carried out using an analytical valuation methodology; for certain exposures classified as non-performing or unlikely to pay of less than EUR 100,000, for impaired past due and/or overrun exposures and for off-balance sheet exposures, the calculation of the expected lifetime loss is normally carried out using a flat-rate analytical methodology.

Specific risk parameters (PD, LGD and EAD) were defined from an IFRS 9 perspective to be used for impairment calculations (stage allocation and ECL); to improve the coverage of the ratios not originally rated after 2006, the default rates made available by the Bank of Italy were used⁴¹. It should be underlined that the Bank calculates the ECL based on the allocation stage, per individual position, with reference to on-balance and off-balance sheet credit exposures.

³⁸ The application segments are ordinary customers, interbank segment and securities portfolio.

³⁹ Non-performing loans relate to: impaired past due and/or overrun, 'unlikely to pay' and non-performing exposures.

⁴⁰ The calculation of the expected loss for the purposes of calculating collective bad debt provisions for these exposures takes place on a 12-month point in time basis.

⁴¹ During 2018, the Bank of Italy made available a historical series of default rates starting in 2006, broken down by a number of drivers (region, amount range, economic sector, etc.) and built on a broader definition of non-performing positions only.

For more details, please refer to these Explanatory Notes, Part A “Accounting policies”, section 5 “Other aspects - d) Risks, uncertainties, impacts and methods of application of the international accounting standards in the current macroeconomic context”.

Loans to ordinary customers

The steps common to all the approaches identified for the construction of the PD to be used, concern:

- 12-month PD estimate developed on a statistical basis through the construction of a Group model, appropriately segmented according to the type of counterparty, the creditworthiness (in terms of the customer’s rating), the customer’s geographic area and the classification of economic activities (ATECO);
- the inclusion of forward-looking scenarios occurs through the application of outputs defined by appropriate “Satellite Models” to the PD Point in Time (so-called PiT) and definition of a set of possible scenarios incorporating current and future macroeconomic conditions;
- the transformation of 12-month PD into lifetime PD, in order to estimate a PD term structure along the entire residual life class of loans, takes place using a Markov process.

The steps common to all the approaches identified for the construction of the LGD to be used, concern:

- a Group model, appropriately segmented according to the characteristics of the counterparty (segment, geographic area, sectors of economic activity and exposure range) or by exposure subject to evaluation (type of guarantee, degree of loan, product type) which is formed of two parameters: the Danger Rate (DR) and the NPL LGD (LGS);
- the IFRS 9 Danger Rate parameter (an expression of the probability of “curing” a position to default as well as possible increases in exposure in the migration to worse credit states) is estimated by observing the resolution process of all default cycles recently concluded (point in time) and those concluded ‘through the cycle’. The parameter is also formed of a factor of variation of the exposure between impairment states or its return to performing status. The Danger Rate parameter, like PD, is conditioned to the economic cycle, based on possible future scenarios, so as to incorporate assumptions about future macroeconomic conditions;
- the nominal LGS parameter (complement to one of the recoveries obtained in respect of the exposure of a position classified as non-performing) is calculated as the arithmetic mean of the nominal LGS, and then discounted based on the average recovery time observed for clusters of ratios consistent with the nominal non-performing LGD. This component is subject to influence from the economic cycle and prospective scenarios through specific satellite models.

The EAD IFRS 9 model adopted differs according to the type of technical macro-form and the type of counterparty. For the estimation of the EAD parameter over the lifetime period of the instalment positions, it is necessary to consider the contractual repayment flows, for each year of the remaining life of the position. The model also considers the credit conversion factor (CCF) used to determine the EAD for off-balance entries (see commitments, margins and credit commitments) or a factor of increase in the use of products with no margin (K factor).

With reference to stage allocation, the Bank made provision for the allocation of the individual cash and off-balance sheet positions, in one of the three stages listed below, based on the following criteria:

- in stage 1, positions with generation date of less than three months from the measurement date or that do not present any of the characteristics described in the following point;
- in stage 2, positions which, at the reference date, present at least one of the characteristics described below:
 - positions that at the valuation date show an increase in Lifetime PD, compared to that at origination, greater than a certain threshold differentiated according to specific drivers such as risk segment, ageing and residual maturity of the position and geographic area. To this threshold, for certain groups of particularly risky customers, a back-stop of 300% is applied in line with the guidelines issued by the ECB in the “Dear CEO” letter and in the EBA stress test manual;

- positions belonging to certain particularly risky geo-sectoral clusters, identified by an IFRS 9 PD higher than 20% on average, identified “collectively” as at risk;
 - positions relating to counterparties that at the valuation date are classified to ‘watch list’, i.e. ‘performing under observation’;
 - presence of a ‘forborne performing’ attribute;
 - presence of past due amounts and/or overrun by more than 30 days;
 - counterparty positions classified as performing and identified on the basis of the Group Policy as POCI (Purchased or Originated Credit Impaired);
 - positions that do not have the characteristics to be identified as low credit risk at the valuation date (or with a 12-month PD pursuant to IFRS 9 less than 0.3%);
 - positions whose hedging, determined by the presence of overlays (Group or Individual), is particularly high above a defined threshold of consistency with stage 1 classification;
- in stage 3, non-performing loans. These concern individual positions relating to counterparties classified in one of the impaired loan categories set forth by Bank of Italy Circular no. 272/2008 and subsequent updates. Falling into this category are impaired past due and/or overrun, ‘unlikely to pay’ and impaired exposures.

Loans between banks or to financial intermediaries

For transactions in the interbank segment, the PD parameter is provided by an external provider that is differentiated on the basis of a rating that defines the creditworthiness of the counterparty; these default probabilities are extrapolated from listed credit spreads or listed bonds. For institutions without quoted credit spreads, the PD parameter is always provided by an external provider, but calculated on the basis of comparable logics based on external information (financial statements, external ratings, economic sector).

The LGD parameter is set prudentially by basing the regulatory level for IRB at 45%.

For EAD, similar logic is applied as for the ordinary customer model.

The Bank has provided for the allocation of individual positions to the 3 stages, in the same way as to that provided for loans to customers. The application of the concept of low credit risk is defined on performing positions which at the valuation date have the following characteristics: no lifetime PD at the origination date and PD Point in Time less than 0.3%. Stage 2 is defined on the basis of PD changes between origination and reporting of 200% (as the backstop identified on the basis of the AQR-stress test manuals in the presence of a low default portfolio).

Securities portfolio

The PD parameter is provided by an external provider based on two approaches:

- timeliness: the default probability term structure for each issuer is obtained from quoted credit spreads or quoted bonds;
- comparable: where market data does not allow for the use of specific credit spreads, because they are absent, illiquid or insignificant, the default probability term structure associated with the issuer is obtained using proxy methodology. This methodology provides for the reclassification of the rated issuer to a comparable issuer for which specific credit spreads are available or to a reference cluster for which a representative credit spread can be estimated.

The LGD parameter is assumed to be constant over the entire time period of the financial activity under analysis and is obtained on the basis of four factors: issuer and instrument type, instrument ranking, instrument rating and country of origin of the issuing entity. The minimum level starts from a value of 45%, with subsequent increases to take into account the different degrees of seniority of the securities.

The Bank has allocated the individual tranches for the purchase of securities in three stages.

In the first creditworthiness stage the following are placed: tranches that can be classified as low credit risk (i.e. that have PD as at the reporting date below 0.26%) and those that at the valuation date have not experienced a significant increase in credit risk with respect to the time of purchase.

In the stage 2, tranches are placed, which on the valuation date present an increase in credit risk compared to the date of purchase.

In the third and final stage, tranches are placed, for which the ECL is calculated following the application of a 100% probability (i.e. in default).

Organisational and process impacts

In terms of organisational and process impacts, the approach to impairment introduced by IFRS 9 required a major effort to collect and analyse data; this in particular, in order to identify the exposures that have suffered a significant increase in credit risk with respect to the date of their assumption and, consequently, must be traced back to a measurement of the expected lifetime loss, as well as the support of significant investments for the evolution of the valuation models in use and related operating processes for the incorporation of the risk parameters produced in credit operations.

The introduction of forward-looking logic in accounting valuations also determines the need to revise credit policies, for example, with reference to customer selection parameters (in light of the different sectorial or geographical risk profiles) and collateral (orienting the preference of types exposed to lower volatility and sensitivity to the economic cycle). Similarly, it appeared necessary to adjust the company's rules on the granting of credit (and related delegated powers) taking into account, among other things, the different costs of medium/long-term technical forms in a scenario in which, as mentioned above, any migration to stage 2 entails the transition to an expected lifetime loss.

With regard to credit monitoring processes and controls, some consolidation interventions are also planned, based, inter alia, on the implementation of automated and proactive processes as well as the refinement of early warning and trigger tools that have been introduced by the Group in order to identify the early symptoms of a potential step-up and to activate the resulting initiatives in good time.

Finally, significant interventions concern second-level controls by the Risk Management Department, which is responsible, among other things, under current regulations, for the validation of internal risk measurement systems not used for regulatory purposes and for monitoring the substantial correctness of the indications deriving from the use of these models.

With reference to the main management control processes, in the knowledge that the cost of risk is one of the most important variables in determining current and prospective economic results, particular attention is paid to the necessary consistency of the assumptions underlying the estimates of the multi-annual plan and the annual budget (developed on the basis of expected scenarios relating to macroeconomic and market factors), the ICAAP-ILAAP and RAF and those taken as reference for the determination of accounting provisions.

The project activities coordinated by the relevant technical structures of Cassa Centrale Banca have allowed the improvement of the declination of the methodological solutions for the correct estimation of the risk parameters for the calculation of the ECL and the management of the staging process according to IFRS 9 standards, as well as the development of the underlying technical/instrumental support by the relevant structures. It should be noted that, in relation to the introduction of the new definition of default as well as to some primary contextual elements (i.e. the growing sophistication of the Banking Group, elements deriving [...], etc.), in 2024 the Bank launched a project to estimate again all the credit models of the accounting framework (i.e. IFRS 9 and macroeconomic models) as well as management such as monitoring and acceptance (i.e. rating systems).

The Bank has defined the guidelines relating to the adoption of organisational and process solutions aimed at enabling the correct and integrated gradual use of the rating system in the main business processes (during investigation, pricing, monitoring and evaluation), as well as for the implementation of the related monitoring and control system.

In general, with regard to the impacts of the variables and the specific cases that led to a significant increase in credit risk (SICR) and on the measurement of expected losses, please refer to what has already been explained in Part A.

2.4 Techniques for mitigating credit risk

Risk mitigation techniques include those instruments that contribute to reducing the loss that the Bank would incur if the counterparty were to default; they include, in particular, guarantees and certain contracts that lead to a reduction in credit risk.

In accordance with the credit objectives and policies defined by the Board of Directors, the credit risk mitigation technique most commonly used by the Bank is the acquisition of different types of collateral, personal and financial guarantees.

These forms of guarantee are required depending on the results of the assessment of the creditworthiness of customers and the type of loan requested by the same. As part of the credit granting and management process, though the guarantees are given an ancillary function in the evaluation of the conditions of economic/financial sustainability of the counterparty, the presence of mitigating factors is encouraged against counterparties with a less favourable credit rating or certain types of medium/long-term operations.

With reference to activities within securities markets, given that the composition of the portfolio is oriented towards primary issuers with high creditworthiness, no particular forms of credit risk mitigation are currently required.

The main concentration of collateral (mainly mortgages) is related to loans to customers in the retail and small business sectors (medium and long term).

In recent years, a decisive impetus has been given to the implementation of structural and process configurations suitable to ensure full compliance with the organisational, economic, legal and information requirements of prudential regulations on credit risk mitigation (hereinafter also "CRM") techniques.

The Bank has decided to use the following CRM tools:

- financial collateral (pledges) involving cash and a restricted list of financial instruments traded on regulated markets, provided through agreements for the pledging and transfer of ownership and repurchase agreements;
- mortgage collateral, represented by residential and non-residential mortgages;
- personal guarantees represented by sureties, given by authorities authorised to issue state commitments (e.g. SME Guarantee Fund, SACE, ISMEA), or by supervised financial intermediaries.

Furthermore, the project to standardise the technical forms of guarantee at all Affiliated Banks led to the definition of a single taxonomy of guarantees, valid and binding for the entire Group, thus laying the foundations for a standardised definition of their acquisition and management processes.

Financial (pledges) and mortgage collateral

With reference to the acquisition, evaluation and management of the main forms of collateral, the company's policies and procedures ensure that such collateral is always acquired and managed in such a way as to ensure that it is enforceable in all relevant jurisdictions and can be enforced within a reasonable time.

In this context, the Group complies with the following inherent regulatory principles:

- the non-dependence of the value of the property to a significant extent on the creditworthiness of the debtor;
- the independence of the party (natural person or valuation company) appointed to carry out the estimate of the property at a value no greater than the market value, as well as its adequate level of professionalism;
- the presence of an insurance policy against the risk of damage to the property covered by the guarantee as well as any other insurance coverage from time to time required by current laws;
- the implementation of adequate monitoring and oversight of the value of the property (and, by extension, of the portfolio of acquired guarantees), in order to verify the existence over time of the requirements that allow for less capital absorption on the guaranteed exposures;

- observance of a prudential ratio between the requested credit facility and the value of the real estate pledged as collateral (loan-to-value) and between the requested credit facility and the value/cost of the investment (loan-to-cost);
- the use of the property and the adequate ability of the debtor to repay, also measured from a forward-looking perspective.

In order to ensure uniformity in the methods and valuation criteria adopted by professionals appointed to perform the appraisals to estimate the value of the real estate guarantees, the Group uses a single tool to support the estimate process, also providing for analyses of the quality of the expert reports.

The process of monitoring the value of the property under warranty is carried out using statistical methods. Performing or impaired credit exposures are subject to statistical revaluation every six months.

For significant performing exposures (i.e. amounts in excess of EUR 3 million or 5% of the Group Bank's own funds) the valuation is, in any case, reviewed by an independent expert at least every 3 years.

For impaired exposures, the Regulations adopted by the Bank provides for a new appraisal for both residential and non-residential properties at the time of transition to impaired loans and an annual update for positions exceeding specific exposure thresholds.

With regard to financial collateral, the Bank, based on the policies and processes for the management of credit risk and operational limits and proxies defined, directs the acquisition of the same exclusively to those financial assets for which the company is able to calculate the fair value on a periodic basis (i.e. whenever there is evidence that there has been a significant decrease in fair value).

The Bank has also put in place specific safeguards and procedures to ensure the following aspects relevant to the prudential eligibility of the guarantees in question:

- absence of a material positive correlation between the value of the financial collateral and the creditworthiness of the debtor;
- specific safeguards to guarantee the external separation (between the depositary's assets and the asset under guarantee) and the internal separation (between assets belonging to different parties and deposited with third parties) if the asset under guarantee is held with third parties;
- residual duration of the guarantee not less than that of the exposure.

The monitoring of financial collateral, in the case of pledging of securities, takes place through periodic monitoring of the issuer/issue rating and the fair value assessment of the financial instrument as collateral. The adjustment of guarantees for which the market value is lower than the resolution value net of discount is required.

Personal guarantees

For personal guarantees, the Bank uses CRM techniques only for sureties protected by government guarantees as these are issued by authorised issuers (e.g. SME Guarantee Fund, SACE, ISMEA, or other authorities in the EU framework such as EIB, EIF). Moreover, they may provide access to benefits in terms of capital weighting on sureties provided by supervised financial intermediaries.

Netting agreements

The Bank has adopted bilateral netting agreements for contracts relating to OTC derivatives and long-term settlement transactions with market counterparties (e.g. Unicredit, Banca IMI, Credit Suisse) that, while not giving rise to any novation, provide for the formation of a single obligation, corresponding to the net balance of all the transactions included in the agreement itself, so that, in the event of default by the counterparty due to insolvency, bankruptcy, liquidation or any other circumstance, the Bank has the right to receive or the obligation to pay only the net amount of the positive and negative values at current market prices of the individual transactions offset. Regulation (EU) no. 575/2013, with reference to OTC derivatives and long-term settlement transactions, places such agreements within the framework of other bilateral netting agreements between an institution and its

counterparty, i.e. written agreements between a bank and a counterparty under which the reciprocal credit and debit positions generated by such contracts are automatically offset so as to establish a single net balance, without any novative effects.

The effect of reducing counterparty risk (and, therefore, lower capital absorption) is recognised provided that the agreement has been communicated to the supervisory authority and the Bank complies with the specific requirements set out in the regulations.

In this respect, the Bank adopts a net-based counterparty risk management system in accordance with the bilateral offset provision, with no novation effect, present in contracts for OTC derivatives and long-term settlement transactions. It is planned to adopt these instruments also when absorbing capital, bearing in mind that the new contracts all pass through the Parent Company.

The legal right to offset is not legally enforceable at any time but only in the event of insolvency or bankruptcy of the counterparties. As a result, the conditions in paragraph 42 of IAS 32 for offsetting positions in the financial statements are not met as further detailed in IAS 32 in paragraph AG38.

The Bank has existing margining agreements with the main market counterparties with which it operates as well as the Affiliated Banks, that provide for the daily exchange of margins (guarantees) between the counterparties to the contract on the basis of the valuation of outstanding positions according to market values observed on the reference day (i.e. the working day immediately prior to the valuation day). The value of the collateral transferred from one party to the other takes into account the net value of the outstanding positions, the value of any collateral previously lodged by either party and the security value (minimum transfer level). The system is managed by the Parent Company for exposures to other affiliated banks, while for exposures to institutional market counterparties it is the latter that performs the role of guarantee calculation agent.

3. Impaired credit exposures

3.1 Management strategies and policies

The Bank is organised with regulatory/IT structures and procedures for the management, classification and control of loans.

Consistent with IAS/IFRS regulations, at each reporting date the presence of objective elements of impairment on each instrument or group of financial instruments is verified.

Impaired financial assets include loans which, following the occurrence of events happening after their disbursement, show objective evidence of possible impairment.

On the basis of the current regulatory framework, supplemented by internal implementing provisions, impaired financial assets are classified according to their critical status into three categories:

- non-performing loans: Bank's credit exposures to counterparties in a state of insolvency (even if not judicially established), or in substantially comparable situations, regardless of the existence of any guarantees given to protect the exposures and the loss forecasts made;
- unlikely to pay: credit exposures, other than bad loans, for which it is considered unlikely that, without recourse to protective actions, such as enforcement of guarantees, the debtor will fully meet its credit obligations in principal and/or interest, regardless of the presence of any overdue and unpaid amounts/rates;
- impaired past due and/or overrun: credit exposures, other than those classified as non-performing or unlikely to pay, which are past due and/or overrun. The overall exposure to a debtor shall be recognised as impaired past due and/or overrun, in accordance with Delegated Regulation (EU) no. 171/2018 of the European Commission of 19 October 2017, if the amount of principal, interest or fees unpaid at the date it was due exceeds both of the following thresholds: a) absolute limit of EUR 100 for retail exposures and of EUR 500 for non-retail exposures; b) relative limit of 1% given by the ratio of the total amount past due and/or overrun at Group level to the total amount of all credit exposures to the same debtor.

The classification of positions among impaired assets is carried out automatically, upon the occurrence of the binding cases provided for by the reference regulations, or by means of evaluation and deliberation processes on individual counterparties, triggered automatically or manually, upon the identification of certain early warning signs and/or triggers, defined in the Group Regulation for the Classification and Valuation of Loans. Similarly, the return to performing status of impaired exposures occurs automatically when the binding cases provided for by the reference regulations are no longer met, or through valuation and resolution processes, triggered manually by the structures responsible for managing impaired loans, in compliance with the "monitoring period" and "cure period" time frames provided for by the reference regulations.

The Group model for the management of impaired loans involves management and coordination by the Parent Company and the direct management of the impaired loans portfolio by the Bank. In the context of this model, the Parent Company:

- prepares and implements the Group's NPE Strategy and related operational plan;
- defines and updates internal regulations and processes related to the classification and valuation of loans;
- defines and updates the internal regulations and processes related to the management and recovery of impaired loans.

Through its own structures, the Bank conducts the following activities:

- the development and implementation its own individual NPE Strategy and related operational plan in compliance with the objectives defined by the Parent Company;
- the classification of individual exposures;
- the definition of the most appropriate management and/or recovery strategies for the individual positions;
- the activities of determining the provisions on the individual impaired credit lines.

The model used to determine provisions for impaired loans provides, depending on their characteristics, for the use of a specific analytical valuation or a flat-rate analytical valuation.

The amount of the adjustment to the value of each loan is determined as the difference between its carrying amount at the time of measurement (amortised cost) and the present value of expected future cash flows, calculated by applying the effective interest rate to the ratio at the time immediately prior to classification in one of the risk categories of impaired loans.

The specific analytical valuation is carried out at the time of classification among impaired credit exposures and is reviewed quarterly in accordance with the criteria and methods identified in the Group Regulations for the classification and valuation of loans.

The flat-rate analytical valuation is carried out and updated quarterly on the basis of the estimate of the expected loss calculated by the impairment model introduced by IFRS 9.

3.2 Write-offs

The write-off is an event that results in an accounting derecognition and may occur before the legal action for recovery of the impaired debt is completed and does not necessarily imply a waiver of the legal right to recover the debt. The write-off may cover the entire amount of an impaired exposure or a portion of it and corresponds to:

- the reversal, in full or in part, of the writedowns, as a contra-entry to the gross value of the impaired exposure; and
- for any portion exceeding the amount of the writedowns, to the impairment loss of the impaired exposure recognised directly in the income statement.

Any recoveries from collections in excess of the gross value of the impaired exposure following the write-off are recognised in the income statement under write-backs.

In general, the write-off applies to impaired exposures for which:

- the occurrence of events has been found to lead to the irretrievability of all or part of the impaired exposure;
- all or part of the impaired exposure was deemed reasonably unrecoverable;
- it was considered appropriate, in the context of settlement agreements with the debtor, to waive all or part of the impaired debt.

The specific processes and criteria for the application of write-offs are governed at Group level in accordance with specific internal regulation.

3.3 Purchased or originated credit-impaired financial assets

In accordance with IFRS 9, loans considered impaired from the time of initial recognition are referred to as Purchased or Originated Credit Impaired Assets (POCI). These loans, if they fall within the scope of application of impairment pursuant to IFRS 9, are measured by setting aside - from the date of initial recognition - provisions to cover losses covering the entire residual life of the loan (ECL lifetime). Since these are impaired loans, they will be initially booked as part of stage 3.

In this regard, it should be noted that the acquisition or origination of impaired financial assets is not part of the Bank's typical business model, so the above mentioned cases are to be considered residual.

4. Financial assets subject to commercial renegotiations and forbore exposures

The category of 'forborne non-performing exposures' does not constitute a separate and additional category of impaired exposures to those previously mentioned (non-performing, unlikely to pay and impaired past due and/or overrun exposures), but only a sub-set of each of them, which includes on-balance exposures and commitments to disburse funds that are forborne ('forborne exposures'), if both of the following conditions are met:

- the debtor is in a situation of economic-financial hardship that does not allow him/her to fully comply with the contractual commitments in his/her debt agreement and that puts him/her in a state of "credit deterioration" (classification in one of the categories of impaired exposures: non-performing, unlikely to pay, impaired past due and/or overrun);
- the Bank agrees to amend the terms and conditions of that agreement, or to refinance it in full or in part, to enable the debtor to comply with it (there would have been no such forbearance if the debtor had not been in a state of hardship).

Forborne exposures to debtors in a condition of economic-financial hardship that has not reached a state of credit impairment are instead classified in the category of forborne performing exposures and are included among the other performing exposures, or among the performing past due exposures if they meet the requirements for this classification.

As provided for in the Bank Regulations, once it has been ascertained that a concession measure meets the requirements of forbearance, the forborne exposure attribute involves:

- forborne performing if both of the following conditions occur:
 - the debtor was classified as ordinary performing or under observation before the forbearance was granted;
 - the debtor was not reclassified by the Bank as an impaired counterparty as a result of the forbearance granted;
- forborne non-performing if at least one of the following conditions occurs:
 - the debtor was classified as impaired prior to the granting of the forbearance;
 - the debtor has been reclassified among impaired exposures, due to the forbearance granted, including the assumption that (in addition to other regulatory cases), as a result of the valuation made, significant impairment losses will emerge.

In order for a credit exposure classified as forborne non-performing to change to forborne performing, the following conditions must be met simultaneously:

- at least 12 months have passed since the last of the following events (known as cure period):
 - granting of the forbearance measure on impaired credit exposures;
 - classification as impaired of the counterparty;
 - end of the grace period set forth by the forbearance measure on impaired credit exposures;
- absence of the conditions to classify the debtor as impaired;
- absence of overdue payments on all the debtor's existing relationships with the Bank;
- the debtor's presumed ability, on the basis of documentary evidence, to fully meet its contractual obligations under the repayment terms determined by the forbearance; this prospective ability to repay is deemed to have occurred when both of the following conditions are met:
 - the debtor has reimbursed, through the regular payments made on the renegotiated terms, an amount equal to the amount that had expired (or was subject to derecognition) at the time of granting the forbearance;
 - the debtor has complied with the post-forbearance payment terms over the last 12 months.

A credit exposure classified as forborne performing becomes forborne non-performing when even one of the following conditions occurs:

- the conditions for the classification of the counterparty as impaired loans are met;
- occurrence of conditions of reduced financial obligation as defined by Article 178 of EU Regulation no. 575/2013 (DO>1%);
- the credit exposure was previously classified as impaired with a forborne non-performing attribute and subsequently, if the conditions were met, the funded counterparty has been upgraded to performing status under observation (with the simultaneous transfer of the line in question to forborne performing), but: i) one of the credit lines of the financed counterparty has matured, during its stay in forborne performing, more than 30 days past due; or ii) the counterparty holding the line in question, during its stay in forborne performing, is subject to further forbearance measures.

For a credit exposure classified as forborne performing to lose this attribute, resulting in a return to only an ordinary performing or performing under observation status, the following conditions must be met simultaneously:

- at least 24 months have passed since the assignment of the forborne performing attribute (so-called probation period);
- the debtor has made, after the application of the forbearance, regular payments of principal or interest on the credit line subject to the forbearance for a total amount equal to at least 5% of the residual principal debt recorded at the time of application of the forbearance; these payments must have been made at such times and in such a way as to ensure full compliance with the contractual obligations for a period, even if not continuous, equal to at least half of the probation period;
- the debtor does not have any past due loan exceeding 30 days in relation to any of the relationships existing with the Bank at the end of the probation period.

Quantitative information

A. Credit quality

A.1 Impaired and performing credit exposures: amounts, value adjustments, trend and economic distribution

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

PORTFOLIOS/QUALITY		Non-performing	Unlikely to pay	Impaired past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost		353	3,823	-	18	9,860,567	9,864,761
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	1,215,361	1,215,361
3. Financial assets designated at fair value		-	-	-	-	184,535	184,535
4. Other financial assets mandatorily measured at fair value		-	-	-	-	5,332	5,332
5. Financial assets held for disposal		-	-	-	-	-	-
Total	31/12/2024	353	3,823	-	18	11,265,796	11,269,989
Total	31/12/2023	859	4,776	-	254	17,447,293	17,453,182

At the reporting date of the financial statements, forborne impaired exposures in relation to item "1. Financial assets measured at amortised cost" amounted to EUR 2,864 thousand.

At the reporting date of the financial statements, forborne performing exposures in relation to item "1. Financial assets measured at amortised cost" amounted to EUR 7,789 thousand.

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

PORTFOLIOS/QUALITY	Impaired				Performing			Total (net exposure)
	Gross exposure	Writedowns	Net exposure	Total partial write-offs*	Gross exposure	Writedowns	Net exposure	
1. Financial assets measured at amortised cost	19,222	15,047	4,176	4,837	9,895,255	34,670	9,860,585	9,864,761
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	1,215,665	304	1,215,361	1,215,361
3. Financial assets designated at fair value	-	-	-	-	X	X	184,535	184,535
4. Other financial assets mandatorily measured at fair value	251	251	-	-	X	X	5,332	5,332
5. Financial assets held for disposal	-	-	-	-	-	-	-	-
Total 31/12/2024	19,473	15,297	4,176	4,837	11,110,920	34,974	11,265,814	11,269,989
Total 31/12/2023	27,167	21,532	5,634	4,813	17,275,235	37,298	17,447,547	17,453,182

PORTFOLIOS/QUALITY	Assets of evident low credit quality		Other assets
	Cumulated capital losses	Net exposure	
1. Financial assets held for trading	-	-	73,891
2. Hedging derivatives	-	-	984
Total 31/12/2024	-	-	74,875
Total 31/12/2023	-	-	78,627

* Value to be displayed for information purposes

A.1.3 Breakdown of financial assets by maturity bands (carrying amounts)

PORTFOLIOS/RISK STAGES	Stage 1			Stage 2			Stage 3			Purchased or originated credit-impaired		
	Between 1 day and 30 days	Between 30 and 90 days	Over 90 days	Between 1 day and 30 days	Between 30 and 90 days	Over 90 days	Between 1 day and 30 days	Between 30 and 90 days	Over 90 days	Between 1 day and 30 days	Between 30 and 90 days	Over 90 days
1. Financial assets measured at amortised cost	18	-	-	-	-	-	-	-	567	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for disposal	-	-	-	-	-	-	-	-	-	-	-	-
Total 31/12/2024	18	-	-	-	-	-	-	-	567	-	-	-
Total 31/12/2023	253	-	-	-	1	-	-	-	1,400	-	-	-

A.1.4 Financial assets, commitments to disburse funds and financial guarantees given: changes in total writedowns and total allocations

REASONS/RISK STAGES	Writedowns											
	Financial assets classified in stage 1						Financial assets classified in stage 2					
	Loans to banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs	Loans to banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs
INITIAL TOTAL ADJUSTMENTS	47	18,959	190	-	-	19,196	11	18,149	-	-	-	18,161
Increases from purchased or originated credit-impaired financial assets	-	189	43	-	-	232	-	-	-	-	-	-
Derecognitions other than write-offs	-	(96)	(100)	-	-	(196)	-	-	-	-	-	-
Net value adjustments/write-backs due to credit risk (+/-)	(24)	2,512	96	-	-	2,583	(10)	(5,054)	-	-	-	(5,064)
Contractual changes without derecognitions	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	4	76	-	-	80	-	7	-	-	-	7
FINAL TOTAL ADJUSTMENTS	23	21,568	304	-	-	21,895	1	13,102	-	-	-	13,103
Collection recoveries in relation to financial assets subject to write-offs	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-	-

REASONS/RISK STAGES	Writedowns						Writedowns				
	Financial assets classified in stage 3						Purchased or originated credit- impaired financial assets				
	Loans to banks and Central Banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for disposal	of which: individual write-downs	of which: collective write-downs
INITIAL TOTAL ADJUSTMENTS	-	20,354	-	-	20,138	216	892	-	-	892	-
Increases from purchased or originated credit- impaired financial assets	-	-	-	-	-	-	X	X	X	X	X
Derecognitions other than write-offs	-	(669)	-	-	(669)	-	(352)	-	-	(352)	-
Net value adjustments/write-backs due to credit risk	-	(4,555)	-	-	(4,549)	(6)	(540)	-	-	(540)	-
Contractual changes without derecognitions	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	(85)	-	-	(85)	-	-	-	-	-	-
Other changes	-	3	-	-	213	(210)	-	-	-	-	-
FINAL TOTAL ADJUSTMENTS	-	15,047	-	-	15,047	-	-	-	-	-	-
Collection recoveries in relation to financial assets subject to write-offs	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-

REASONS/RISK STAGES	Total allocation for commitments to disburse funds and financial guarantees given				Total
	Stage 1	Stage 2	Stage 3	Commitments to disburse funds and financial guarantees given Purchased or originated credit impaired	
INITIAL TOTAL ADJUSTMENTS	2,679	3,124	-	-	64,404
Increases from purchased or originated credit- impaired financial assets	-	-	-	-	232
Derecognitions other than write-offs	-	-	-	-	(1,218)
Net value adjustments/write-backs due to credit risk	1,004	744	-	-	(5,827)
Contractual changes without derecognitions	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	-	-	-	(85)
Other changes	(110)	(89)	-	-	(110)
FINAL TOTAL ADJUSTMENTS	3,573	3,779	-	-	57,396
Collection recoveries in relation to financial assets subject to write-offs	-	-	-	-	-
Write-offs recognised directly in the income statement	-	-	-	-	-

With regard to trade receivables, assets arising from contracts and receivables implicit in leasing contracts, it should be noted that the Bank does not use the simplified method, as required by IFRS 9, para. 5.5.15, for the valuation to cover losses.

Therefore, the details required by IFRS 7 para. 35H, letter b, iii are not provided.

A.1.5 Financial assets, commitments to disburse funds and financial guarantees given: transfers between the various stages of credit risk (gross and nominal values)

PORTFOLIOS/RISK STAGES	Gross values / nominal value					
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
	From Stage 1 to Stage 2	From Stage 2 to Stage 1	From Stage 2 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	59,012	122,739	-	2,311	1,815	1,954
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets held for disposal	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees given	17,120	173,139	-	-	-	-
Total 31/12/2024	76,132	295,878	-	2,311	1,815	1,954
Total 31/12/2023	243,226	146,871	2,643	1,745	2,294	-

The Table contents show information about transfers between the different credit risk stages of the gross value of loans measured at amortised cost, in place at the reporting date of the financial statements, which constitute new liquidity granted through public guarantee mechanisms issued in the context of COVID-19.

PORTFOLIOS/RISK STAGES	Gross values / nominal value					
	Transfers between Stage 1 and Stage 2		Transfers between Stage 2 and Stage 3		Transfers between Stage 1 and Stage 3	
	From Stage 1 to Stage 2	From Stage 2 to Stage 1	From Stage 2 to Stage 3	From Stage 3 to Stage 2	From Stage 1 to Stage 3	From Stage 3 to Stage 1
A. Covid-related loans measured at amortised cost	2,606	14,651	-	-	1,815	1,954
B. Covid-related loans measured at fair value through other comprehensive income	-	-	-	-	-	-
Total 31/12/2024	2,606	14,651	-	-	1,815	1,954

A.1.6 Cash and off balance-sheet credit exposures to banks: gross and net values

TYPES OF LOANS/ VALUES	Gross exposure					Writedowns and total allocations					Net exposure	Total partial write-offs*
	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired				
A. ON-BALANCE-SHEET CREDIT EXPOSURES												
A.1 ON DEMAND	39,182	39,026	156	-	-	24	22	1	-	-	39,158	-
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	39,182	39,026	156	X	-	24	22	1	X	-	39,158	-
A.2 OTHER	3,553,107	3,532,948	-	-	-	644	644	-	-	-	3,552,463	-
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Impaired past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	3,553,107	3,532,948	-	X	-	644	644	-	X	-	3,552,463	-
of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	3,592,290	3,571,974	156	-	-	668	667	1	-	-	3,591,622	-
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	27,032,939	26,956,168	-	X	-	851	851	-	X	-	27,032,088	-
TOTAL (B)	27,032,939	26,956,168	-	-	-	851	851	-	-	-	27,032,088	-
TOTAL (A+B)	30,625,229	30,528,142	156	-	-	1,519	1,518	1	-	-	30,623,710	-

* Value to be displayed for information purposes

A.1.7 Cash and off balance-sheet credit exposures to customers: gross and net values

TYPES OF LOANS/ VALUES	Gross exposure					Writedowns and total allocations					Net exposure	Total partial write-offs*
	Stage 1	Stage 2	Stage 3	Purchased or originated credit- im- paired	Stage 1	Stage 2	Stage 3	Purchased or originated credit- im- paired				
A. ON-BALANCE-SHEET CREDIT EXPOSURES												
a) Non-performing	5,665	X	-	5,665	-	5,312	X	-	5,312	-	353	4,837
of which: forborne exposures	3,168	X	-	3,168	-	2,815	X	-	2,815	-	353	2,625
b) Unlikely to pay	13,808	X	-	13,557	-	9,985	X	-	9,734	-	3,823	-
of which: forborne exposures	11,683	X	-	11,432	-	9,172	X	-	8,921	-	2,511	-
c) Impaired past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	19	19	-	X	-	1	1	-	X	-	18	-
of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	7,747,661	7,496,603	80,843	X	508	34,329	21,227	13,102	X	-	7,713,332	-
of which: forborne exposures	8,836	-	8,328	X	508	1,047	-	1,047	X	-	7,789	-
TOTAL (A)	7,767,153	7,496,622	80,843	19,222	508	49,627	21,228	13,102	15,047	-	7,717,526	4,837
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	784,056	763,771	18,983	X	-	6,501	2,722	3,779	X	-	777,555	-
TOTAL (B)	784,056	763,771	18,983	-	-	6,501	2,722	3,779	-	-	777,555	-
TOTAL (A+B)	8,551,208	8,260,392	99,826	19,222	508	56,128	23,950	16,881	15,047	-	8,495,081	4,837

* Value to be displayed for information purposes

At 31 December 2024, existing loans that constitute new liquidity granted through public guarantee mechanisms issued in the context of COVID-19 amounted to EUR 100,190 thousand. See below for the gross exposure and total writedowns, grouped by risk stage and by “purchased or originated credit-impaired”, split into the different categories of impaired/performing assets.

TYPES OF LOANS/VALUES	Gross exposure					Writedowns and total allocations					Net exposure
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Non-performing loans	-	-	-	-	-	-	-	-	-	-	-
Unlikely to pay	2,945	-	-	2,945	-	633	-	-	633	-	2,311
Impaired past due loans	-	-	-	-	-	-	-	-	-	-	-
Other performing past due loans	-	-	-	-	-	-	-	-	-	-	-
Other performing loans	99,977	96,782	3,196	-	-	2,099	1,620	478	-	-	97,879
Total	102,922	96,782	3,196	2,945	-	2,732	1,620	478	633	-	100,190

A.1.8 On-balance-sheet credit exposures to banks: trend in gross impaired exposures

The Bank had no impaired exposures of this type during the year.

A.1.8bis On-balance-sheet credit exposures to banks: trend in gross forborne exposures broken down by credit quality

The Bank had no impaired exposures of this type during the year.

A.1.9 On-balance-sheet credit exposures to customers: trend in gross impaired exposures

DESCRIPTIONS/CATEGORIES	Non-performing	Unlikely to pay	Impaired past due exposures
A. INITIAL GROSS EXPOSURE	6,844	20,323	-
- of which: exposures transferred but not derecognised	-	-	-
B. INCREASES	1,428	2,654	-
B.1 transfers from performing exposures	-	1,815	-
B.2 transfers from purchased or originated credit impaired	-	-	-
B.3 transfers from other categories of impaired exposures	1,382	-	-
B.4 contractual changes without derecognitions	-	21	-
B.5 other increases	46	819	-
C. DECREASES	2,607	9,169	-
C.1 transfers to performing exposures	-	4,406	-
C.2 write-offs	85	-	-
C.3 collections	1,934	3,344	-
C.4 gains from disposal	124	-	-
C.5 losses from disposal	-	-	-
C.6 transfers to other categories of impaired exposures	-	1,382	-
C.7 contractual changes without derecognitions	-	-	-
C.8 other decreases	464	36	-
D. GROSS FINAL EXPOSURE	5,665	13,808	-
- of which: exposures transferred but not derecognised	-	-	-

A.1.9bis On-balance-sheet credit exposures to customers: trend in gross forborne exposures broken down by credit quality

DESCRIPTIONS/QUALITY	Forborne exposures: impaired	Forborne exposures: performing
A. INITIAL GROSS EXPOSURE	19,741	9,478
- of which: exposures transferred but not derecognised	-	-
B. INCREASES	826	5,297
B.1 transfers from non-forborne performing exposures	-	1,553
B.2 transfers from forborne performing exposures	-	X
B.3 transfers from forborne impaired exposures	X	2,465
B.4 transfers from non-forborne impaired exposures	113	-
B.5 other increases	713	1,279
C. DECREASES	5,716	5,939
C.1 transfers to non-forborne performing exposures	X	682
C.2 transfers to forborne performing exposures	2,465	X
C.3 transfers to forborne impaired exposures	X	-
C.4 write-offs	-	-
C.5 collections	3,145	5,102
C.6 gains from disposal	-	-
C.7 losses from disposal	-	-
C.8 other decreases	106	155
D. GROSS FINAL EXPOSURE	14,851	8,836
- of which: exposures transferred but not derecognised	-	-

A.1.10 Impaired On-balance-sheet credit exposures to banks: trend in total writedowns

The Bank had no impaired exposures of this type during the year.

A.1.11 Impaired on-balance-sheet credit exposures to customers: trend in total writedowns

DESCRIPTIONS/CATEGORIES	Non-performing		Unlikely to pay		Impaired past due exposures	
	Total	of which: forborne exposures	Total	of which: forborne exposures	Total	of which: forborne exposures
A. INITIAL TOTAL ADJUSTMENTS	5,985	3,143	15,547	13,512	-	-
- of which: exposures transferred but not derecognised	-	-	-	-	-	-
B. INCREASES	1,085	442	1,067	553	-	-
B.1 value adjustments from purchased or originated credit- impaired	-	X	-	X	-	X
B.2 other value adjustments	80	74	972	493	-	-
B.3 losses from disposal	-	-	-	-	-	-
B.4 transfers from other categories of impaired exposures	1,005	368	-	-	-	-
B.5 contractual changes without derecognitions	-	-	-	-	-	-
B.6 other increases	-	-	95	60	-	-
C. DECREASES	1,757	770	6,629	4,894	-	-
C.1 value write-backs from valuations	31	20	234	232	-	-
C.2 value write-backs due to collection	1,321	750	1,693	1,616	-	-
C.3 gains from disposal	105	-	-	-	-	-
C.4 write-offs	85	-	-	-	-	-
C.5 transfers to other categories of impaired exposures	-	-	1,005	368	-	-
C.6 contractual changes without derecognitions	-	-	-	-	-	-
C.7 other decreases	215	-	3,698	2,678	-	-
D. FINAL TOTAL ADJUSTMENTS	5,312	2,815	9,985	9,172	-	-
- of which: exposures transferred but not derecognised	-	-	-	-	-	-

A.2 Classification of financial assets, commitments to disburse funds and financial guarantees given by external and internal ratings

A.2.1 Breakdown of financial assets, commitments to disburse funds and financial guarantees given by external rating classes (gross values)

EXPOSURES	External rating classes						Without rating	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. FINANCIAL ASSETS MEASURED AT AMORTISED COST	454,338	15,532	3,824,194	124,915	19,526	-	5,475,973	9,914,477
- Stage 1	451,991	15,532	3,815,221	112,788	16,026	-	5,402,347	9,813,904
- Stage 2	2,348	-	8,973	12,127	3,500	-	53,896	80,843
- Stage 3	-	-	-	-	-	-	19,222	19,222
- Purchased or originated credit impaired	-	-	-	-	-	-	508	508
B. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	119,479	3,739	1,078,566	-	-	-	13,882	1,215,665
- Stage 1	119,479	3,739	1,078,566	-	-	-	13,882	1,215,665
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
C. FINANCIAL ASSETS HELD FOR DISPOSAL	-	-	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (A+B+C)	573,817	19,271	4,902,759	124,915	19,526	-	5,489,854	11,130,142
D. COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES ISSUED	18,300	-	84,439	224,434	89	-	27,411,660	27,738,922
- Stage 1	18,300	-	84,439	224,434	89	-	27,392,676	27,719,939
- Stage 2	-	-	-	-	-	-	18,983	18,983
- Stage 3	-	-	-	-	-	-	-	-
- Purchased or originated credit impaired	-	-	-	-	-	-	-	-
Total (D)	18,300	-	84,439	224,434	89	-	27,411,660	27,738,922
Total (A+B+C+D)	592,118	19,271	4,987,199	349,349	19,615	-	32,901,514	38,869,064

Exposures without a rating mainly refer to positions relating to activities with counterparties forming part of the Group.

The Bank adopts the assessments of the Moody's and CRIF rating agencies on the reported portfolios, the latter with reference to exposures to companies.

Moody's	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6
Global long-term rating scale	Aaa, Aa	A	Baa	Ba	B	Caa, Ca, C
Global short-term rating scale	P-1	P-2	P-3	NP		

Crif	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6
Long-term rating scale – Corporate	AAA, AA	A	BBB	BB	B	CCC, CC, C, DS
Long-term rating scale – SME	SME 1, SME 2		SME3	SME 4	SME 5, SME 6	SME 7, SME 8

A.2.2 Breakdown of financial assets, commitments to disburse funds and financial guarantees given by internal rating classes (gross values)

At the end of the reporting period, the Bank does not use internal ratings in the calculation of capital requirements.

A.3 Breakdown of secured credit exposures by type of guarantee

A.3.1 On-balance and off-balance-sheet secured credit exposures to banks

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)	
			Real estate - Mortgages	Real estate - Financing for leases	Securities	Other collateral	Credit derivatives	
							CLIN	Other derivatives Central counterparties
1. SECURED ON-BALANCE-SHEET CREDIT EXPOSURES:	1,083,185	1,083,039	-	-	450,227	632,054	-	-
1.1 totally secured	636,694	636,605	-	-	450,227	186,378	-	-
- of which impaired	-	-	-	-	-	-	-	-
1.2 partially secured	446,491	446,434	-	-	-	445,677	-	-
- of which impaired	-	-	-	-	-	-	-	-
2. SECURED OFF-BALANCE-SHEET CREDIT EXPOSURES:	742,529	742,493	-	-	742,380	113	-	-
2.1 totally secured	741,212	741,177	-	-	741,064	113	-	-
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	1,316	1,316	-	-	1,316	-	-	-
- of which impaired	-	-	-	-	-	-	-	-

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Credit commitments				
	Other derivatives			General governments	Banks	Other financial corporations	Other subjects	
	Banks	Other financial corporations	Other subjects					
1. SECURED ON-BALANCE-SHEET CREDIT EXPOSURES:	-	-	-	-	-	-	-	1,082,282
1.1 totally secured	-	-	-	-	-	-	-	636,605
- of which impaired	-	-	-	-	-	-	-	-
1.2 partially secured	-	-	-	-	-	-	-	445,677
- of which impaired	-	-	-	-	-	-	-	-
2. SECURED OFF-BALANCE-SHEET CREDIT EXPOSURES:	-	-	-	-	-	-	-	742,493
2.1 totally secured	-	-	-	-	-	-	-	741,177
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	-	-	-	-	1,316
- of which impaired	-	-	-	-	-	-	-	-

A.3.2 On-balance and off-balance-sheet secured credit exposures to customers

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)	
			Real estate - Mortgages	Real estate - Financing for leases	Securities	Other collateral	Credit derivatives	
							CLN	Other derivatives Central counterparties
1. SECURED ON-BALANCE-SHEET CREDIT EXPOSURES:	1,018,107	979,689	481,413	-	91,092	67,549	-	-
1.1 totally secured	726,565	698,066	481,198	-	91,079	46,932	-	-
- of which impaired	17,433	2,628	1,074	-	-	528	-	-
1.2 partially secured	291,542	281,623	215	-	14	20,617	-	-
- of which impaired	1,908	1,485	-	-	-	-	-	-
2. SECURED OFF-BALANCE-SHEET CREDIT EXPOSURES:	83,638	80,799	5,963	-	4	17,737	-	-
2.1 totally secured	25,545	25,235	5,963	-	-	15,114	-	-
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	58,093	55,564	-	-	4	2,623	-	-
- of which impaired	-	-	-	-	-	-	-	-

	Personal guarantees (2)							Total (1)+(2)
	Credit derivatives			Credit commitments				
	Other derivatives			General governments	Banks	Other financial corporations	Other subjects	
	Banks	Other financial corporations	Other subjects					
1. SECURED ON-BALANCE-SHEET CREDIT EXPOSURES:	-	-	-	162,364	47	4,392	43,235	850,092
1.1 totally secured	-	-	-	28,380	47	1,119	38,081	686,835
- of which impaired	-	-	-	820	-	-	205	2,628
1.2 partially secured	-	-	-	133,984	-	3,273	5,153	163,257
- of which impaired	-	-	-	1,345	-	-	-	1,345
2. SECURED OFF-BALANCE-SHEET CREDIT EXPOSURES:	-	-	-	1,167	2,542	4,221	2,137	33,771
2.1 totally secured	-	-	-	-	522	3,292	344	25,235
- of which impaired	-	-	-	-	-	-	-	-
2.2 partially secured	-	-	-	1,167	2,020	929	1,793	8,536
- of which impaired	-	-	-	-	-	-	-	-

A.4 Financial and non-financial assets obtained through the enforcement of guarantees received

At the end of the reporting period, there were no financial or non-financial assets obtained through the enforcement of guarantees received.

B. Distribution and concentration of credit exposures

B.1 Distribution by sector of on-balance and off-balance-sheet credit exposures to customers

EXPOSURES/COUNTERPARTIES	General governments		Financial companies		Financial companies (of which: insurance companies)	
	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns
A. ON-BALANCE-SHEET CREDIT EXPOSURES						
A.1 Non-performing	-	-	-	-	-	-
of which: forborne exposures	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-
of which: forborne exposures	-	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-	-
of which: forborne exposures	-	-	-	-	-	-
A.4 Performing exposures	4,940,339	876	1,687,175	6,407	102,856	473
of which: forborne exposures	-	-	-	-	-	-
Total (A)	4,940,339	876	1,687,175	6,407	102,856	473
B. OFF-BALANCE-SHEET CREDIT EXPOSURES						
B.1 Impaired exposures	-	-	-	-	-	-
B.2 Performing exposures	-	-	547,488	2,849	144,477	464
Total (B)	-	-	547,488	2,849	144,477	464
Total (A+B) 31/12/2024	4,940,339	876	2,234,663	9,257	247,333	937
Total (A+B) 31/12/2023	3,066,152	616	2,144,869	7,659	253,674	780

EXPOSURES/COUNTERPARTIES	Non-financial corporations		Households	
	Net exposure	Total writedowns	Net exposure	Total writedowns
A. ON-BALANCE-SHEET CREDIT EXPOSURES				
A.1 Non-performing	353	4,760	-	553
of which: forborne exposures	353	2,815	-	-
A.2 Unlikely to pay	3,823	7,708	-	2,277
of which: forborne exposures	2,511	6,895	-	2,277
A.3 Impaired past due exposures	-	-	-	-
of which: forborne exposures	-	-	-	-
A.4 Performing exposures	1,048,978	26,986	36,858	61
of which: forborne exposures	6,900	1,019	890	28
Total (A)	1,053,153	39,453	36,858	2,891
B. OFF-BALANCE-SHEET CREDIT EXPOSURES				
B.1 Impaired exposures	-	-	-	-
B.2 Performing exposures	221,399	3,637	8,668	14
Total (B)	221,399	3,637	8,668	14
Total (A+B) 31/12/2024	1,274,553	43,091	45,526	2,905
Total (A+B) 31/12/2023	1,288,120	50,542	51,645	3,418

B.2 Breakdown by territory of On-balance and off balance-sheet credit exposures to customers

EXPOSURES/GEOGRAPHIC AREAS	Italy North West		Italy North East		Italy Centre		Italy South and the Islands	
	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns
A. ON-BALANCE-SHEET CREDIT EXPOSURES								
A.1 Non-performing	-	39	353	5,273	-	-	-	-
A.2 Unlikely to pay	2,156	2,278	810	7,531	857	176	-	-
A.3 Impaired past due exposures	-	-	-	-	-	-	-	-
A.4 Performing exposures	436,056	10,031	2,138,048	20,417	4,636,768	2,902	41,056	930
Total (A)	438,211	12,349	2,139,210	33,221	4,637,625	3,078	41,056	930
B. OFF-BALANCE-SHEET CREDIT EXPOSURES								
B.1 Impaired exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	142,483	1,176	408,447	2,464	214,472	2,516	12,152	345
Total (B)	142,483	1,176	408,447	2,464	214,472	2,516	12,152	345
Total (A+B) 31/12/2024	580,695	13,524	2,547,658	35,685	4,852,097	5,595	53,208	1,275
Total (A+B) 31/12/2023	559,183	11,832	2,531,642	43,403	2,929,624	5,718	24,390	1,192

B.3 Breakdown by territory of on-balance and off-balance-sheet credit exposures to banks

EXPOSURES/GEOGRAPHIC AREAS	Italy North West		Italy North East		Italy Centre		Italy South and the Islands	
	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns	Net exposure	Total writedowns
A. ON-BALANCE-SHEET CREDIT EXPOSURES								
A.1 Non-performing	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-	-	-	-
A.4 Performing exposures	1,133,850	370	1,088,784	163	1,097,869	92	118,692	19
Total (A)	1,133,850	370	1,088,784	163	1,097,869	92	118,692	19
B. OFF-BALANCE-SHEET CREDIT EXPOSURES								
B.1 Impaired exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	6,671,084	306	14,984,808	390	1,758,533	61	3,572,668	95
Total (B)	6,671,084	306	14,984,808	390	1,758,533	61	3,572,668	95
Total (A+B) 31/12/2024	7,804,934	676	16,073,593	552	2,856,402	153	3,691,360	114
Total (A+B) 31/12/2023	7,755,822	1,212	16,455,236	819	2,781,969	182	3,714,035	156

B.4 Large exposures

ITEMS	Total 31/12/2024	Total 31/12/2023
A) AMOUNT OF LARGE EXPOSURES		
a1) book value	39,312,769	37,529,904
a2) weighted value amount	513,379	475,640
B) NUMBER OF POSITIONS OF LARGE EXPOSURES	12	9

C. Securitisation transactions

Securitisation transactions are not recognised, in which banks in the same prudential consolidation are the originator and the total liabilities issued (e.g. ABS securities, loans in the warehousing phase) by the special purpose vehicles are subscribed at the time of issue by one or more companies in the same prudential consolidation.

Qualitative information

“Own” securitisation transactions

Securitisation of loans allows the procurement of significant financial assets as an alternative to direct debt, with the possibility of reducing risk assets for the purposes of solvency ratios, without removing the Originator from the management of the relationship with the customer.

The transaction, therefore, is characterised by the use of a funding instrument on international markets to finance the Bank's loans and is part of the expectations of supporting the development of the local economy, in line with the company's strategic guidelines.

In 2024, no own securitisation transactions were carried out.

Third party securitisation transactions

The Bank retains, within its portfolio, at the net carrying amount, securities from “third-party” securitisation transactions for a total of EUR 77,103 thousand.

Third-party exposures other than those mentioned above consist mainly of unrated securities issued by the special purpose vehicle Lucrezia Securitisation S.r.l. as part of the Institutional Guarantee Fund interventions, broken down as follows:

- the securities “EUR 211,368,000 Asset-Backed Notes due October 2026”, with ISIN code IT0005216392, were issued by the special purpose vehicle on 3 October 2016, following the securitisation of the portfolios of bad loans acquired as part of the crisis resolution intervention of Banca Padovana in A.S. and BCC Irpina in A.S., they have a 10-year maturity and pay interest quarterly in arrears;
- the securities “EUR 78,388,000 Asset-Backed Notes due January 2027” with ISIN code IT0005240749, were issued by the special purpose vehicle on 27 January 2017, following the securitisation of the portfolios of bad loans acquired as part of the intervention for the BCC Crediveneto resolution, they have a 10-year maturity and pay interest quarterly in arrears;
- the securities “EUR 32,461,000 Asset-Backed Notes due October 2027” with ISIN code IT0005316846, were issued by the special purpose vehicle on 1 December 2017, following the securitisation of the portfolios of bad loans acquired as part of the intervention for the BCC Teramo resolution, they have a 10-year maturity and pay interest quarterly in arrears.

The assets underlying these securities are composed of impaired loans, largely fully secured by properties. These securities are included in the Bank's balance sheet assets under item “40. Financial assets measured at amortised cost, sub-item “b) Loans to customers”.

As far as the economic aspects are concerned, the securities involved the recognition of interest income at an annual rate of 1%.

It should be noted that in relation to the above securitisation transactions, the Bank does not play any role as servicer and does not hold any interest in the special purpose vehicle.

Moreover, in compliance with the provisions on organisational requirements in the same prudential provisions, with regard to the assumption of positions towards the transactions in question, the Bank must comply with the obligations of due diligence and monitoring.

In accordance with the above mentioned due diligence and monitoring requirements for the Bank, other than the assignor or the promoter, which takes positions as regards securitisation, the following should be noted.

As the Investor Bank, before taking positions in each securitisation transaction and for as long as they are held in the portfolio, an analysis is carried out on each transaction and the exposures underlying it, in order to gain full knowledge of the risks to which the Bank is exposed or would be exposed.

In particular, the Bank has verified:

- the maintenance by the assignor, on an ongoing basis, of the net economic interest;
- the provision of relevant information to perform due diligence;
- the structural characteristics of the securitisation that can have a significant impact on the performance of positions towards securitisation (e.g. contractual clauses, priority in redemptions, rules for the allocation of cash flows and related triggers, credit enhancement instruments, liquidity facilities, definition of default used, rating, historical analysis of the performance of similar positions);
- the risk characteristics of the assets underlying the securitisation positions;
- the communications made by the assignor/promoter regarding the due diligence carried out on the securitised assets, the quality of any collateral covering them, etc.

With reference to monitoring, in accordance with the provisions on the need for information to be assessed regularly at least once a year, as well as in the presence of significant changes in the performance of the transaction, the Bank has put in place processes and procedures for the acquisition of information on the assets underlying each transaction with reference to:

- nature of exposures, incidence of positions past due for more than 30, 60, 90 days;
- default rates;
- early repayments;
- exposures subject to enforcement procedures;
- nature of the collateral;
- creditworthiness of debtors;
- sectoral and geographical diversification;
- frequency of distribution of loan to value rates.

In relation to the above, periodic information flows have been agreed centrally with the servicer, to be made available to Affiliated Banks that have subscribed to securities of this type, to ensure their compliance with the regulatory requirement that they must be “constantly aware of the composition of the portfolio of securitised exposures” pursuant to Article 253 of the CRR.

The periodic flows received from the Institutional Guarantee Fund are transmitted to all Affiliated Banks and supplement the Investor Report produced by the Special Purpose Vehicle.

Quantitative information

C.1 Exposures deriving from primary “own” securitisation operations subdivided by type of securitised asset and type of exposure

TYPE OF SECURITISED ASSETS/EXPOSURES	On-balance exposures					
	Senior		Mezzanine		Junior	
	Book value	Value adjustments/write-backs	Book value	Value adjustments/write-backs	Book value	Value adjustments/write-backs
A. Subject of full derecognition from the financial statements	1,592	-	11	-	12	-
IMPAIRED ASSETS	1,592	-	11	-	12	-
- Non-performing	1,592	-	11	-	12	-
- Unlikely to pay	-	-	-	-	-	-
- Past due	-	-	-	-	-	-
PERFORMING ASSETS	-	-	-	-	-	-
B. Subject of partial derecognition from the financial statements	-	-	-	-	-	-
IMPAIRED ASSETS	-	-	-	-	-	-
- Non-performing	-	-	-	-	-	-
- Unlikely to pay	-	-	-	-	-	-
- Past due	-	-	-	-	-	-
PERFORMING ASSETS	-	-	-	-	-	-
C. Not derecognised from the financial statements	-	-	-	-	-	-
IMPAIRED ASSETS	-	-	-	-	-	-
- Non-performing	-	-	-	-	-	-
- Unlikely to pay	-	-	-	-	-	-
- Past due	-	-	-	-	-	-
PERFORMING ASSETS	-	-	-	-	-	-

Off-balance-sheet

As at 31 December 2024, the scenario was not present.

C.2 Exposures deriving from primary third-party securitisation operations subdivided by type of securitised asset and type of exposure

TYPE OF UNDERLYING ASSETS/EXPOSURES	On-balance exposures					
	Senior		Mezzanine		Junior	
	Book value	Value adjustments/write-backs	Book value	Value adjustments/write-backs	Book value	Value adjustments/write-backs
Lucrezia Securitisation Srl-Titoli	(77)	668				

C.3 Securitisation special purpose vehicles

SECURITISATION NAME/ SPV NAME	Registered office	Consolidation	Assets			Liabilities		
			Loans	Debt securities	Other	Senior	Mezzanine	Junior
Lucrezia Securitisation S.r.l. - Crediveneto	Rome Via Mario Carucci 131	N	4,211			31,966		
Lucrezia Securitisation S.r.l. - Padovana/Irpina	Rome Via Mario Carucci 131	N	4,448			89,544		
Lucrezia Securitisation S.r.l. - Castiglione	Rome Via Mario Carucci 131	N	1,531			31,065		
Buonconsiglio 4 S.r.l.	Conegliano (TV) - Via V. Alfieri 1		64,906			58,123	16,500	5,893
Buonconsiglio 3 S.r.l.	Milan - Via Vittorio Betteloni 2		74,387			83,262	21,000	4,541
Buonconsiglio II - Nepal S.r.l.	Milan - Via San Prospero 9							46,121

C.4 Not consolidated securitisation special purpose vehicles

The table has not been filled in as it is reportable in the consolidated financial statements.

C.5 Servicer activities - own securitisations: collections of securitised receivables and reimbursements of securities issued by the securitisation special purpose vehicle

The table has not been filled in because, as at the reporting date, there were no balances ascribable to the item in question.

D. Disclosure on structured entities not consolidated from an accounting viewpoint (different from securitisation special purpose vehicles)

This information is not provided given that the Bank drafts the consolidated financial statements.

E. Disposal transactions

A. Financial assets sold and not fully derecognised

Qualitative information

Financial assets sold and not derecognised and financial liabilities related to assets sold and not derecognised shown in the tables of this section pertain mainly to repos carried out on own securities recognised as assets in the balance sheet.

Quantitative information

E.1 Financial assets sold and fully recognised and associated financial liabilities: carrying amounts

	Financial assets sold and fully recognised				Associated financial liabilities		
	Book value	of which: subject of securitisation transactions	of which: subject of repurchase agreements	of which impaired	Book value	of which: subject of securitisation transactions	of which: subject of repurchase agreements
A. FINANCIAL ASSETS HELD FOR TRADING	-	-	-	X	-	-	-
1. Debt securities	-	-	-	X	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	810,872	-	810,872	-	815,337	-	815,337
1. Debt securities	810,872	-	810,872	-	815,337	-	815,337
2. Equities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. FINANCIAL ASSETS MEASURED AT AMORTISED COST	1,167,615	-	1,167,615	-	1,178,027	-	1,178,027
1. Debt securities	1,167,615	-	1,167,615	-	1,178,027	-	1,178,027
2. Loans	-	-	-	-	-	-	-
Total 31/12/2024	1,978,487	-	1,978,487	-	1,993,364	-	1,993,364
Total 31/12/2023	575,358	-	575,358	-	573,573	-	573,573

E.2 Financial assets sold and partially recognised and associated financial liabilities: carrying amounts

The information and the table are not provided because, as at the reporting date, there were no balances ascribable to this item.

E.3 Disposals with liabilities with reimbursement exclusively on assets sold and not fully derecognised: fair value

	Fully recognised	Partially recognised	Total	
			31/12/2024	31/12/2023
A. FINANCIAL ASSETS HELD FOR TRADING	-	-	-	-
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
4. Derivatives	-	-	-	-
B. OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE	-	-	-	-
1. Debt securities	-	-	-	-
2. Equities	-	-	-	-
3. Loans	-	-	-	-
C. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-	-	-	-
1. Debt securities	-	-	-	-
2. Loans	-	-	-	-
D. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	810,872	-	810,872	535,547
1. Debt securities	810,872	-	810,872	535,547
2. Equities	-	-	-	-
3. Loans	-	-	-	-
E. FINANCIAL ASSETS MEASURED AT AMORTISED COST (FAIR VALUE)	1,167,615	-	1,167,615	39,811
1. Debt securities	1,167,615	-	1,167,615	39,811
2. Loans	-	-	-	-
Total financial assets	1,978,487	-	1,978,487	575,358
Total associated financial liabilities	1,993,364	-	X	X
Net value 31/12/2024	(14,877)	-	(14,877)	X
Net value 31/12/2023	1,785	-	X	1,785

B. Financial assets sold and fully derecognised with recognition of continuing involvement

Qualitative information

At the end of the reporting period, the Bank had not sold any financial assets that had been fully derecognised, and the related continuing involvement should be recognised in the financial statements.

C. Financial assets sold and fully derecognised

At the end of the reporting period, the Bank does not have any transactions attributable to this scenario.

D. Covered bond transactions

The information is not provided because, as at the reporting date, there were no balances ascribable to this item.

F. Credit risk measurement models

At the end of the reporting period, the Bank does not use internal portfolio models to measure credit risk exposure. For more specific considerations, please refer to Section 1 - Credit Risk, Qualitative information, 2.2 Management, measurement and control systems.

Section 2 - Market risks

2.1 INTEREST RATE RISK AND PRICE RISK – REGULATORY TRADING BOOK

Qualitative information

A. General aspects

The Planning Department of the Parent Company and the Bank's Finance Department plan the investment choices relating to the trading book in accordance with the guidelines shared within the Group through the periodic portfolio management strategy documents and in compliance with any amounts of investment defined by the Board of Directors.

During the year, the management strategy for the proprietary portfolio established that the trading book activity was limited to financial instruments held for intermediation with banking and non-banking customers and to derivatives entered into for hedging risks not otherwise included in the Banking Book.

B. Management processes and measurement methods relative to interest rate and price risk

Interest rate risk - Regulatory trading book

The measurement of interest rate risk on the regulatory trading book is supported by the daily reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR). This is calculated using Riskmetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk). The calculation of volatilities and correlations is made by assuming a future distribution of risk factor returns equal to the historical distribution over a given time horizon.

To support the definition of the structure of its internal limits, important strategic choices, or specific analyses, simulations of purchases and sales of financial instruments within its asset allocation are available, obtaining an updated calculation of the new risk exposure in terms of both VaR and Modified Duration.

The monitoring of market risk exposure is also carried out using the Montecarlo fat-tailed method, which uses a procedure to simulate the returns of risk factors on the basis of past volatility and correlation data, generating 10,000 random scenarios consistent with the market situation. An additional measure introduced to assess market risk is the expected shortfall, calculated with both the historical method and the Montecarlo method.

Additional risk statistics derived from VaR (such as Marginal VaR, Incremental VaR and Conditional VaR), measures of sensitivity of income instruments (Modified Duration) and analyses linked to the evolution of correlations between the various risk factors present are monitored through reporting.

The analyses are available at different levels of detail: on the entire trading book and within the latter on groupings by type of instrument (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate), up to the individual securities present.

Of particular importance is also the backtesting of the VaR model used daily, carried out on the entire portfolio of securities owned by comparing the VaR – calculated at 99% and over the daily time period – with the actual changes in the Theoretical Market Value of the portfolio.

Daily stress tests are available on the Theoretical Market Value of the own securities portfolio through which changes in the theoretical countervalue of the trading book and the various groupings of instruments (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate) present in it are studied with respect to certain market scenarios. As part of risk management strategies, various scenarios on the bond and equity front are monitored for a complete and improved analysis of the portfolio.

The reports described are monitored by the Planning Department of the Parent Company and the Finance Department of the Bank, and periodically submitted to the Board of Directors.

In addition, an automatic email alert is active if the attention thresholds and/or limits in the internal regulations are exceeded.

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

Price risk - Regulatory trading book

In line with the section on interest rate risk - regulatory trading book, the measurement of price risk on the regulatory trading book is supported by the reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (interest rate risk, equity risk, foreign exchange risk and inflation risk).

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

As at 31 December 2024, there were no securities in the regulatory trading book, according to the strategic guidelines established by the Parent Company.

Quantitative information

1. Regulatory trading book: Breakdown by residual duration (re-pricing date) of financial assets and liabilities in cash as well as financial derivatives

Euro

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	Beyond 10 years	Indefinite maturity
1. CASH ASSETS	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. CASH LIABILITIES	-	-	-	-	-	-	-	-
2.1 Repurchase agreements	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. FINANCIAL DERIVATIVES								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	35,964	6,331	10,420	13,386	-	-	-
+ Short positions	-	35,964	6,331	10,420	13,386	-	-	-
- Other derivatives								
+ Long positions	56,312	1,319,970	212,224	49,426	261,930	264,923	370,263	-
+ Short positions	14,806	891,942	254,373	133,401	691,073	264,923	370,263	-

Other Currencies

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	Beyond 10 years	Indefinite maturity
1. CASH ASSETS	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. CASH LIABILITIES	-	-	-	-	-	-	-	-
2.1 Repurchase agreements	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. FINANCIAL DERIVATIVES								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	119,451	7,705	1,231	-	-	-	-
+ Short positions	-	30,611	7,104	1,763	1,857	-	-	-

2. Regulatory trading book: breakdown of exposures in equities and stock market indices for the main countries of the listed market

The table is not reported given that a price risk sensitivity analysis for an internal model is supplied, as reported in the previous section.

3. Regulatory trading book: internal models and other methodologies for sensitivity analysis

The measurement of price risk on the trading book is supported by reports provided by the Risk Management Department, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk).

The VaR measurement is available daily for monitoring and operational evaluations carried out by the Risk Management Department and the Planning Department of the Parent Company and the Bank's Finance Department, and is calculated on various levels of detail which, in addition to the Total portfolio, consider the Banking portfolio, the business models, the various groupings by type of instrument (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate), up to the individual securities present.

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

2.2 INTEREST RATE RISK AND PRICE RISK - BANKING BOOK

Qualitative information

A. General aspects, management processes and measurement methods for interest rate and price risk

Interest rate risk - Banking book

Primary sources of interest rate risk

The sources of the interest rate risk to which the Bank is exposed can be identified mainly in the lending, funding and finance processes, since the banking book consists mainly of loans and the various forms of funding from customers.

In particular, 'fair value' interest rate risk is derived from fixed-rate items while interest rate risk from cash flows is derived from variable-rate items.

However, items on demand generally include asymmetrical behaviours, depending on whether one considers liability or asset items; the former - being characterised by greater stability - primarily refer to fair value risk while the second are more sensitive to market changes and therefore ascribable to cash flow risk.

Internal management processes and measurement methods for interest rate risk

The Bank has put in place appropriate mitigation and control measures aimed at avoiding the possibility of positions exceeding a certain level of objective risk.

These mitigation and control measures are applied within the framework of corporate regulations aimed at setting up monitoring processes based on position limits and systems of attention thresholds in terms of internal capital, beyond which appropriate corrective actions are triggered.

With regard to this point, the following are defined:

- policies and procedures for managing interest rate risk that are consistent with the nature and complexity of the activity carried out;
- measurement metrics consistent with the risk measurement methodology adopted by the Bank, on the basis of which an early warning system has been defined that allows for the timely identification and activation of appropriate corrective measures;
- operational limits and internal procedural provisions which aim to maintain exposure within limits that are consistent with the managerial policy and with the alert thresholds pursuant to prudential regulations.

From an organisational point of view, the Bank has identified the Planning Department as the structure responsible for overseeing this process of managing interest rate risk on the banking book.

The monitoring of interest rate risk exposure on the banking book is carried out on a monthly basis.

With regard to the risk measurement methodology in terms of change in economic value and change in interest margin, the Board of Directors of the Bank has decided to use the framework provided by the EBA guidelines (GL-2022-14) which is based on the following elements:

- sensitivity analysis to economic value: the calculation engine allows the quantification of the difference in fair value of financial statement items calculated according to the Discounted Cash Flow method using first a base curve (without shock) and then a shocked curve. The reports can be prepared individually or aggregated on the basis of their specific financial characteristics;

- margin sensitivity analysis: the calculation engine allows the quantification of the difference in the interest margin against specific expected rate scenarios (baseline or adverse) or one or more rate shocks (parallel or otherwise), assuming the reinvestment of maturing (assuming of constant volumes) or rate-revising flows (indexed ratios) at forward rates over a predefined time period (e.g. twelve months);
- treatment of behavioural models: the calculation engine allows for the behavioural models to be taken into account in the analysis (value and margin); in 2024, an update was applied to the model of items on demand, estimated using Group data and a new prepayment model was developed and put into production, applied to loans repayable in instalments.

The Bank determines the internal capital for interest rate risk according to the model of the change in economic value shown above, applying a parallel rate shock of +/- 200 basis points.

Additional stress scenarios, as indicated in the relevant legislation, are determined to assess the impacts of non-parallel curve shifts (steepening, flattening, short rates up and down) and from cases established internally within the Group. With the introduction by regulation of the SOT (supervisory outlier test) also on the NII (net interest income) from 30/06/2023, the Group has adapted its rate risk monitoring process on the Interest Margin by calculating and monitoring the respective levels of "large decline".

The risk indicator is represented in the RAF (Risk Appetite Framework) RAS by the ratio between the internal capital thus calculated and the value of CET1Fondi. At consolidated level, the Parent Company monitors the Group's positioning with respect to the thresholds including in relation to the CET1 value and the attention threshold of 15% for the Economic Value and 5% for the Interest Margin set by EBA's Guidelines and Regulatory Technical Standards (RTS). If the individual risk indicator exceeds the thresholds set out in the RAF, the appropriate recovery initiatives are activated.

Price risk - Banking book

In line with the section on interest rate risk - regulatory trading book, the measurement of price risk on the banking book is supported by the reports provided by the Risk Management Department, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk).

The VaR measurement is available daily for monitoring and operational evaluations carried out by the Risk Management Department and the Planning Department of the Parent Company and the Bank's Finance Department, and is calculated on various levels of detail which, in addition to the Total portfolio, consider the Banking portfolio, the business models, the various groupings by type of instrument (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate), up to the individual securities present.

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

Information about the VaR calculations for the securities component of the banking book during the course of 2024 is reported below:

Figures rounded to nearest euro unit

VaR 31/12/2024	Average VaR	Minimum VaR	Maximum VaR
44,198,002	37,623,341	29,334,293	50,852,690

Control over the reliability of the model is implemented through theoretical backtesting activities which verify daily changes in the market value of the banking book, as calculated by the model with an estimate of the expected loss for the day. At portfolio level the previous model did not identify any significant overruns in the year.

The year 2024 saw a continuation, with respect to VaR, of the quantification of issuer risk for government securities and therefore country risk, understood as VaR relating only to the risk factor “Credit Spread”, expressed as the spread between the Italian government bond curve and the risk-free curve, understood as the reference monetary curve for each currency in which the bond is denominated. VaR and Expected Shortfall metrics were also calculated only on the Italian Government bonds segment.

With regard to stress tests, the outcomes of simulations of the impact of different shock scenarios on the theoretical value of the portfolio on 31 December 2024 is reported below. The shocks replicate parallel movements of +/-25 and +/-50 basis points for the primary rate curves that were used in the valuation of securities within the owned portfolio.

Figures rounded to nearest euro unit

Theoretical value at 31/12/2024	Shock value changes -25 bps	Shock value changes +25 bps	Shock value changes -50 bps	Shock value changes +50 bps
5,848,361,001	27,231,292	-26,826,722	54,874,666	-53,256,274

Quantitative information

1. Banking book: breakdown by residual duration (re-pricing date) of financial assets and liabilities

Euro

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	From 10 years	Indefinite maturity
1. CASH ASSETS	1,714,261	3,386,821	2,897,546	630,303	1,526,058	921,672	190,995	-
1.1 Debt securities	-	1,172,114	2,660,057	338,525	940,301	761,717	176,823	-
- with early repayment option	-	510,653	43,770	152,639	15,822	-	12	-
- other	-	661,461	2,616,288	185,885	924,480	761,717	176,811	-
1.2 Loans to banks	25,677	2,079,056	153,474	159,804	82	-	2,734	-
1.3 Loans to customers	1,688,584	135,650	84,015	131,975	585,675	159,956	11,438	-
- current accounts	818,449	10,629	-	-	-	-	-	-
- other loans	870,135	125,021	84,015	131,975	585,675	159,956	11,438	-
- with early repayment option	526,246	122,012	81,315	126,024	547,032	33,914	6,251	-
- other	343,889	3,009	2,700	5,951	38,643	126,041	5,187	-
2. CASH LIABILITIES	3,638,784	5,372,539	557,862	535,697	148,015	10,764	204,668	-
2.1 Due to customers	1,292,738	1,333,596	728	49,782	46,990	10,764	27,868	-
- current accounts	956,156	130	725	1,300	44,756	4,107	-	-
- other payables	336,582	1,333,466	3	48,482	2,234	6,657	27,868	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	336,582	1,333,466	3	48,482	2,234	6,657	27,868	-
2.2 Due to banks	2,346,046	3,514,186	557,135	282,729	840	-	176,801	-
- current accounts	2,125,862	-	-	-	-	-	-	-
- other payables	220,183	3,514,186	557,135	282,729	840	-	176,801	-
2.3 Debt securities	-	524,757	-	203,186	100,184	-	-	-
- with early repayment option	-	524,757	-	203,186	-	-	-	-
- other	-	-	-	-	100,184	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	From 10 years	Indefinite maturity
3. FINANCIAL DERIVATIVES								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	15	2	39	4,076	21	658	-
+ Short positions	43	761	181	-	3,826	-	-	-
- Other derivatives								
+ Long positions	-	568,426	-	-	267,290	130,000	-	-
+ Short positions	-	41,896	42,191	85,460	659,193	135,430	1,545	-
4. OTHER OFF-BALANCE-SHEET OPERATIONS								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

Other Currencies

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	From 10 years	Indefinite maturity
1. CASH ASSETS	13,534	26,272	1,533	152	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	13,481	26,272	1,484	-	-	-	-	-
1.3 Loans to customers	53	-	49	152	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other loans	53	-	49	152	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	53	-	49	152	-	-	-	-
2. CASH LIABILITIES	105,939	35,433	1,738	193	-	-	-	-
2.1 Due to customers	3,448	3,310	646	-	-	-	-	-
- current accounts	300	-	-	-	-	-	-	-
- other payables	3,148	3,310	646	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	3,148	3,310	646	-	-	-	-	-

TYPE/RESIDUAL DURATION	On demand	Up to 3 months	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Between 5 years and 10 years	From 10 years	Indefinite maturity
2.2 Due to banks	102,491	32,123	1,093	193	-	-	-	-
- current accounts	102,266	-	-	-	-	-	-	-
- other payables	225	32,123	1,093	193	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. FINANCIAL DERIVATIVES								
3.1 With underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. OTHER OFF-BALANCE-SHEET OPERATIONS								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

2. Banking book: internal models and other methodologies for sensitivity analysis

For management purposes, the Bank quantifies on a monthly basis the impacts deriving from parallel and non-parallel curve shocks, both for the change in economic value and for the change in the interest margin.

On the basis of the analyses as at 31 December 2024, assuming a change in interest rates of +/-100 basis points, the effects relating to the change in the economic value and the interest margin are shown, then compared to the value of the Tier 1, therefore adapting the calculation to the new indicator established by RTS/2022/10.

CHANGE IN ECONOMIC VALUE	Scenario +100 basis points	Scenario -100 basis points
Banking book: loans	-31,680,693	33,754,027
Banking book: securities	-113,503,184	121,908,609
Other assets	-1,962,200	1,986,684
Liabilities	75,615,774	-89,323,395
Total	-71,530,304	68,325,925
Tier 1	1,185,542,738	1,185,542,738
% Impact on Tier 1	-6.03%	5.76%

CHANGE IN INTEREST MARGIN	Scenario +100 basis points	Scenario -100 basis points
Banking book: loans	30,783,435	-29,309,939
Banking book: securities	24,507,928	-24,606,580
Other assets	7,264,409	-8,919,466
Liabilities	-68,145,749	68,659,270
Total	-5,589,977	5,823,285
Tier 1	1,185,542,738	1,185,542,738
% Impact on Tier 1	-0.47%	0.49%

2.3 EXCHANGE RATE RISK

Qualitative information

A. General aspects, management processes and measurement methods for exchange rate risk

In line with the section on interest rate risk - regulatory trading book, the measurement of exchange rate risk relating to foreign currency income instruments held is supported by the reports provided by the Risk Management Department, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk).

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

B. Exchange rate risk hedging activities

Exchange rate risk hedging activities are implemented through a careful policy of essentially balancing booked foreign currency positions. To this end, in 2024 the Bank carried out transactions to hedge the exchange rate risk using outright derivatives.

Quantitative information

1. Breakdown of assets, liabilities and derivatives by currency

ITEMS	Currency					
	USD	CHF	GBP	JPY	CAD	OTHER CURRENCIES
A. Financial assets	24,300	13,911	457	753	468	570
A.1 Debt securities						
A.2 Equities						
A.3 Loans to banks	24,046	13,911	457	753	468	570
A.4 Loans to customers	254					
A.5 Other financial assets						
B. Other assets	9,960	1,245	1,546	209	370	444
C. Financial liabilities	116,720	15,156	5,864	946	1,895	1,075
C.1 Due to banks	109,351	15,156	5,834	946	1,895	1,075
C.2 Due to customers	7,369		31			
C.3 Debt securities						
C.4 Other financial liabilities						
D. Other liabilities						
E. Financial derivatives						
- Options						
+ Long positions						
+ Short positions						
- Other derivatives						
+ Long positions	121,877	748	4,296	32	1,117	76
+ Short positions	39,571	750	398	35	61	20
Total assets	156,137	15,905	6,298	995	1,956	1,090
Total liabilities	156,291	15,905	6,263	981	1,957	1,096
Imbalance (+/-)	(154)	-	36	14	(1)	(5)

2. Internal models and other methodologies for sensitivity analysis

The Bank's overall exposure to exchange rate risk is very limited: the effects of changes in exchange rates on net interest and other banking income, net profit for the year and equity, as well as the results of scenario analyses, are not reported.

Section 3 – Derivatives and hedging policies

3.1 DERIVATIVES HELD FOR TRADING

A. Financial derivatives

A.1 Financial derivatives held for trading: notional values at the end of the period

UNDERLYING ASSETS/TYPE OF DERIVATIVES	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. DEBT SECURITIES AND INTEREST RATES	-	1,883,308	41,196	-	-	1,482,766	233,993	-
a) Options	-	14,272	14,172	-	-	109,195	108,783	-
b) Swaps	-	1,869,035	27,024	-	-	1,373,571	125,211	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. EQUITIES AND STOCK MARKET INDICES	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. CURRENCIES AND GOLD	-	119,632	7,104	-	-	119,554	4,353	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	119,632	7,104	-	-	119,554	4,353	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. COMMODITIES	-	-	-	-	-	-	-	-
5. OTHER	-	-	-	-	-	-	-	-
Total	-	2,002,940	48,300	-	-	1,602,320	238,346	-

A.2 Financial derivatives held for trading: Gross positive and negative fair value - breakdown by product

UNDERLYING ASSETS/TYPE OF DERIVATIVES	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. POSITIVE FAIR VALUE								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	71,848	53	-	-	78,231	47	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	1,901	90	-	-	349	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	73,749	142	-	-	78,580	47	-
2. NEGATIVE FAIR VALUE								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	68,212	500	-	-	74,493	1,914	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	737	58	-	-	1,290	159	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	68,949	558	-	-	75,783	2,073	-

A.3 OTC financial derivatives held for trading: notional values, gross positive and negative fair value by counterparty

UNDERLYING ASSETS	Central counterparties	Banks	Other financial corporations	Other subjects
Contracts not part of netting agreements				
1) DEBT SECURITIES AND INTEREST RATES				
- notional value	X	-	-	41,196
- positive fair value	X	-	-	53
- negative fair value	X	-	-	500
2) EQUITIES AND STOCK MARKET INDICES				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) CURRENCIES AND GOLD				
- notional value	X	-	-	7,104
- positive fair value	X	-	-	90
- negative fair value	X	-	-	58
4) COMMODITIES				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts that are part of netting agreements				
1) DEBT SECURITIES AND INTEREST RATES				
- notional value	-	1,883,308	-	-
- positive fair value	-	71,848	-	-
- negative fair value	-	68,212	-	-
2) EQUITIES AND STOCK MARKET INDICES				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) CURRENCIES AND GOLD				
- notional value	-	119,632	-	-
- positive fair value	-	1,901	-	-
- negative fair value	-	737	-	-
4) COMMODITIES				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial derivatives held for trading: notional values

UNDERLYING/RESIDUAL LIFE		Up to 1 year	From 1 to 5 years	Beyond 5 years	Total
A.1	Financial derivatives on debt securities and interest rates	143,143	502,544	1,278,817	1,924,504
A.2	Financial derivatives on equities and stock market indices	-	-	-	-
A.3	Financial derivatives on currencies and gold	124,879	1,857	-	126,736
A.4	Financial derivatives on commodities	-	-	-	-
A.5	Other financial derivatives	-	-	-	-
Total	31/12/2024	268,022	504,401	1,278,817	2,051,240
Total	31/12/2023	552,281	440,378	848,007	1,840,666

B. Credit derivatives

This section is not filled out given that the Bank does not hold credit derivatives.

3.2 ACCOUNTING HEDGES

Qualitative information

A. Fair value hedging

At 31 December 2024, there were 24 interest rate swaps (23 hedging derivatives negotiated in 2024), of which 10 on Italian fixed-rate government bonds present in the securities portfolio for a nominal value of EUR 255 million, 13 on fixed-rate loans present in the loan portfolio for a countervalue in the financial statements of EUR 616 million, and 1 on a bond loan issued by the Bank in 2024 for a nominal amount of EUR 100 million. The operations fall under a fair value hedge. The nominal values of the hedging instruments were entirely hedged by the operations.

The aim was to sterilise any changes in fair value in the hedged securities deriving from changes in the risk-free rates curve.

The derivatives are not listed on regulated markets, but traded in the context of over-the-counter (OTC) circuits.

There are no other hedging transactions.

The Bank has equipped itself with the necessary organisational controls for an informed management of hedging transactions and related risks through the adoption of a specific policy on application of the Hedge Accounting Policy.

B. Cash flow hedging

The Bank does not engage in cash flow hedging transactions, i.e. hedging exposure to variability in cash flows associated with variable rate financial instruments.

C. Hedging of foreign investments

The Bank does not engage in foreign investment transactions, i.e. hedging exposure to variability in cash flows associated with variable rate financial instruments.

D. Hedging instruments

Refer to letter A.

E. Hedged elements

Refer to letter A.

Quantitative information

A. Financial hedging derivatives

A.1 Financial hedging derivatives: notional values at the end of the period

UNDERLYING ASSETS/TYPE OF DERIVATIVES	Total 31/12/2024				Total 31/12/2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. DEBT SECURITIES AND INTEREST RATES	-	965,716	-	-	-	5,000	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	965,716	-	-	-	5,000	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. EQUITIES AND STOCK MARKET INDICES	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. CURRENCIES AND GOLD	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. COMMODITIES	-	-	-	-	-	-	-	-
5. OTHER	-	-	-	-	-	-	-	-
Total	-	965,716	-	-	-	5,000	-	-

A.2 Financial hedging derivatives: Gross positive and negative fair value - breakdown by product

DERIVATIVE TYPES	Positive and negative fair value								Change in the value used to detect the ineffectiveness of the hedging	
	Total 31/12/2024				Total 31/12/2023				Total 31/12/2024	Total 31/12/2023
	Over the counter			Organised markets	Over the counter			Organised markets		
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements			
POSITIVE FAIR VALUE										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	984	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	984	-	-	-	-	-	-	-	-
NEGATIVE FAIR VALUE										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	11,673	-	-	-	310	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	11,673	-	-	-	310	-	-	-	-

A.3 OTC financial hedging derivatives: notional values, gross positive and negative fair value by counterparty

UNDERLYING ASSETS	Central counterparties	Banks	Other financial corporations	Other subjects
Contracts not part of netting agreements				
1) DEBT SECURITIES AND INTEREST RATES				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
2) EQUITIES AND STOCK MARKET INDICES				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) CURRENCIES AND GOLD				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) COMMODITIES				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-

UNDERLYING ASSETS	Central counterparties	Banks	Other financial corporations	Other subjects
Contracts that are part of netting agreements				
1) DEBT SECURITIES AND INTEREST RATES				
- notional value	-	965,716	-	-
- positive fair value	-	984	-	-
- negative fair value	-	11,673	-	-
2) EQUITIES AND STOCK MARKET INDICES				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) CURRENCIES AND GOLD				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) COMMODITIES				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC financial hedging derivatives: notional values

UNDERLYING/RESIDUAL LIFE		Up to 1 year	From 1 to 5 years	Beyond 5 years	Total
A.1	Financial derivatives on debt securities and interest rates	169,547	659,193	136,976	965,716
A.2	Financial derivatives on equities and stock market indices	-	-	-	-
A.3	Financial derivatives on currencies and gold	-	-	-	-
A.4	Financial derivatives on commodities	-	-	-	-
A.5	Other financial derivatives	-	-	-	-
Total	31/12/2024	169,547	659,193	136,976	965,716
Total	31/12/2023	-	-	5,000	5,000

B. Credit derivatives

This section is not filled out given that the Bank does not hold credit derivatives.

C. Non-derivative hedging instruments

This section is not filled out given that the Bank does not hold this type of instrument.

D. Hedged instruments

With regard to hedging transactions (hedge accounting), the Bank avails itself of the option, provided by the introduction of IFRS 9, to continue to apply IAS 39 in full with regard to both specific hedges and macro hedges.

D.1 Fair value hedging

	Specific hedges: book value	Specific hedges - net positions: book value of assets or liabilities (before offsetting)	Specific hedges			Macro hedges: book value
			Accrued fair value changes in the hedged instrument	Disposal of the hedge: accrued residual changes in fair value	Changes in the value used to detect the ineffectiveness of the hedging	

A. Assets

1. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - HEDGING OF:	-	-	-	-	-	-
1.1 Debt securities and interest rates	-	-	-	-	-	x
1.2 Equities and stock market indices	-	-	-	-	-	x
1.3 Currencies and gold	-	-	-	-	-	x
1.4 Loans	-	-	-	-	-	x
1.5 Other	-	-	-	-	-	x
2. FINANCIAL ASSETS MEASURED AT AMORTISED COST - HEDGING OF:	880,937	-	10,653	-	-	-
1.1 Debt securities and interest rates	880,937	-	10,653	-	-	x
1.2 Equities and stock market indices	-	-	-	-	-	x
1.3 Currencies and gold	-	-	-	-	-	x
1.4 Loans	-	-	-	-	-	x
1.5 Other	-	-	-	-	-	x
Total 31/12/2024	880,937	-	10,653	-	-	-
Total 31/12/2023	5,339	-	294	-	-	-

	Specific hedges: book value	Specific hedges - net positions: book value of assets or liabilities (before offsetting)	Specific hedges			Macro hedges: Book value
			Accrued fair value changes in the hedged instrument	Disposal of the hedge: accrued residual changes in fair value	Changes in the value used to detect the ineffectiveness of the hedging	

B. Liabilities

1. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST - HEDGING OF:	100,184	-	67	-	-	-
1.1 Debt securities and interest rates	100,184	-	67	-	-	x
1.2 Currencies and gold	-	-	-	-	-	x
1.3 Other	-	-	-	-	-	x
1.5 Other	-	-	-	-	-	x
Total 31/12/2024	100,184	-	67	-	-	-
Total 31/12/2023	-	-	-	-	-	-

D.2 Hedging of cash flows and foreign investments

The Bank does not carry out hedging transactions attributable to this specific case.

E. Effects of equity hedging transactions

This section is not filled out given that the Bank does not hold this type of instrument.

3.3 OTHER INFORMATION ON DERIVATIVES HELD FOR TRADING AND HEDGING

A. Financial and credit derivatives

A.1 OTC financial and credit derivatives: net fair values by counterparties

	Central counterparties	Banks	Other financial corporations	Other subjects
A. FINANCIAL DERIVATIVES				
1) Debt securities and interest rates				
- notional value	-	2,849,023	-	41,196
- positive net fair value	-	72,832	-	53
- negative net fair value	-	79,885	-	500
2) Equities and stock market indices				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
3) Currencies and gold				
- notional value	-	119,632	-	7,104
- positive net fair value	-	1,901	-	90
- negative net fair value	-	737	-	58
4) Commodities				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
B. CREDIT DERIVATIVES				
1) Purchase of protection				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-
2) Sale of protection				
- notional value	-	-	-	-
- positive net fair value	-	-	-	-
- negative net fair value	-	-	-	-

Section 4 - Liquidity risk

Qualitative information

A. GENERAL ASPECTS, MANAGEMENT PROCESSES AND MEASUREMENT METHODS FOR LIQUIDITY RISK

Liquidity risk is defined as the possibility that the Bank may not be able to meet its payment commitments due to the inability to raise new funds and/or sell its assets on the market (Funding Liquidity Risk), or that it may be forced to incur very high costs to meet these commitments (Market Liquidity Risk). Funding Liquidity Risk can be divided into: (i) Mismatching Liquidity Risk, consisting of the risk associated with the different time profile of cash inflows and outflows determined by the misalignment of the maturities of financial assets and liabilities on (and off) the balance sheet; (ii) Contingency Liquidity Risk, i.e. the risk that unexpected events may require a higher amount of cash and cash equivalents than estimated as necessary; and (iii) Margin Calls Liquidity Risk, i.e. the risk that the Bank, in the event of adverse changes in the fair value of financial instruments, is contractually required to restore the reference margins by means of collateral/cash margins.

In this regard, it should be noted that the Delegated Regulation of the European Commission (EU) no. 61/2015 introduced the Liquidity Coverage Requirement (LCR) for credit institutions (hereinafter also "DR-LCR"). The LCR is a short-term rule aimed at ensuring the availability of liquid assets by individual banks that allow them to survive in the short to very short term in the event of acute stress, without recourse to the market. The indicator compares the liquid assets available to the Bank with net cash outflows (difference between gross outflows and inflows) expected over a 30-day time period, the latter developed taking into account a predefined stress scenario: a 100% requirement must be met. The DR-LCR integrates and, in part, amends the provisions of Regulation (EU) no. 575/2013 (CRR) which provides only for obligations of a reporting nature.

Liquidity risk can be generated by various factors both internal and external to the Bank. The sources of liquidity risk can therefore be distinguished in the following macro-categories:

- endogenous: represented by negative events specific to the Bank (e.g. deterioration of the Bank's creditworthiness and loss of confidence on the part of creditors);
- exogenous: when the origin of the risk can be traced back to negative events not directly controllable by the Bank (political crises, financial crises, catastrophic events, etc.) that cause situations of liquidity tension in the markets;
- combinations of the above.

The identification of the factors from which liquidity risk is generated is carried out by means of the following:

- the analysis of the time distribution of cash flows of financial assets and liabilities and off-balance sheet transactions;
- the identification of:
 - items that do not have a defined due date (on demand and revocation items);
 - financial instruments that incorporate optional components (explicit or implicit) that may change the entity and/or the time distribution of cash flows (e.g. early redemption options);
 - financial instruments that by their nature determine variable cash flows depending on the performance of specific underlying assets (e.g. derivatives);
- the analysis of the level of seniority of financial instruments.

The processes in which the Bank's liquidity risk arises are mainly represented by the Finance/Planning, Funding and Credit processes.

The internal regulation of liquidity risk management meets the requirements set out in the regulatory provisions and guarantees consistency between the management measurements and the regulatory ones.

The Bank adopts a liquidity risk management and governance system which, in accordance with the provisions of the Supervisory Authorities and on the basis of the guidelines defined by the Parent Company, pursues the objectives of:

- being liquid at all times and, therefore, to remain in a position to meet its payment obligations in situations of both normal business and stress;
- financing its activities at the best current and prospective market conditions.

To this end, in its function as a strategic Supervisory Authority, the Board of Directors of the Bank defines the strategies, policies, responsibilities, processes, risk objectives, tolerance thresholds and limits to exposure to liquidity risk (operating and structural), as well as instruments for liquidity risk management - related to membership of the Cooperative Banking Group - by formalising its internal regulations on liquidity risk management and governance.

The Bank's liquidity is managed by the Finance Department in accordance with the aforementioned strategic guidelines. To this end, it makes use of the commitment forecasts made through internal procedures where information on forecast cash requirements and availability can be found. The organisational controls of liquidity risk are defined in terms of line controls and activities of the control functions at level II and III. Liquidity risk is controlled by the Risk Management Department and is aimed at checking the availability of sufficient liquidity reserves to ensure solvency in the short term and diversification of sources of funding and, at the same time, to maintain a substantial balance between maturities of lending and funding in the medium/long term.

The Bank intends to pursue a dual objective:

- the management of operating liquidity aimed at verifying the Bank's ability to meet expected and unforeseen short-term (up to 12 months) cash payment commitments;
- structural liquidity management aimed at maintaining an adequate ratio between total liabilities and medium/long-term assets (over 12 months).

The Bank has structured its control of short-term operating liquidity on two levels:

- the first level provides for daily supervision of the treasury position;
- the second level provides for monthly monitoring of the overall operating liquidity position.

With reference to the monthly monitoring of the overall operating liquidity position, the Bank uses the analysis reports available on a regular basis.

Monthly measurement and monitoring of the operating liquidity position is carried out by means of the following methods:

- the LCR indicator, for the 30-day liquidity position, as determined on the basis of the DR-LCR and transmitted (according to the template developed by the EBA) on a monthly basis to the Supervisory Authority;
- its liquidity position by means of the time to survival indicator, designed to measure the ability to cover the liquidity imbalance generated by inertial operations of balance sheet items;
- a set of summary indicators aimed at highlighting vulnerabilities in the Bank's liquidity position in reference to the degree of concentration of loans and deposits with the main counterparties;
- analysis of the level of asset encumbrance and quantification of readily monetised assets.

In particular, as regards the concentration of funding sources at the end of the reporting period, the incidence of funding from the top 10 counterparties (private and Non-financial corporations) on the Bank's total funding from customers is 3.10% as at 31 June 2024.

The Bank's exposure to unexpected cash outflows mainly relates to:

- items that do not have a defined maturity (primarily current account liabilities and unrestricted deposits);
- liabilities at maturity (certificates of deposit, term deposits) which, at the request of the depositor, can be repaid early;
- its own bonds, for which the Bank operates in order to guarantee liquidity on the secondary market;
- commitments to exchange collateral arising from margining agreements relating to OTC derivative transactions;
- the margins available on the credit lines granted.

With reference to the management of structural liquidity, the Bank uses the analysis reports available monthly.

The Net Stable Funding Ratio, consisting of the ratio between stable sources of funding and medium/long-term assets, is measured monthly from reporting and management sources by means of the percentages set out in the EU Regulation no. 2019/876 (CRR2).

In order to assess its vulnerability to exceptional but plausible liquidity stress situations, the Bank calculates and monitors the LCR indicator as determined on the basis of the DR-LCR and transmitted (according to the template developed by the EBA) on a monthly basis to the Supervisory Authority. Periodic scenario stress tests are also conducted. The latter, conducted according to a qualitative approach based on the company's experience and the indications provided by the regulations and supervisory guidelines, cover two scenarios of liquidity, market/systemic and Bank-specific crises. In particular, the Bank performs the stress analysis by extending the scenario covered by the LCR regulation, with the aim of assessing the impact of additional load tests.

Over the last few years, additional stress scenarios linked to the pandemic crisis have been introduced (which affects the inflow component) and climate risk (both physical and transition). The results of the analyses carried out are periodically documented to the Board of Directors. The positioning of the Bank with regard to operational and structural liquidity is also reported to the Board of Directors on a quarterly basis.

In addition, crisis, system/market early warning indicators have been identified, i.e. a set of qualitative and quantitative measurements useful for identifying signs of a potential increase in exposure to liquidity risk. These indicators represent, together with the results of liquidity risk measurement, an important information element for the activation of liquidity risk mitigation measures.

With regard to the "Contingency Funding Plan" ("CFP"), i.e. the organisational and operational procedures to be implemented to deal with situations of alert or liquidity crisis, it should be noted that management is centralised at the Parent Company; it follows that in the event of any critical issues regarding the liquidity profile encountered at the level of individual banks belonging to the Group, it is the Parent Company that intervenes using the resources available to the entire Group. The CFP is therefore only activated if there is a problem with the consolidated values of the Cassa Centrale Group. The Group's CFP defines the statuses of non-ordinary operations and the processes and tools for their activation/management (roles and responsibilities of the corporate bodies and organisational units involved, systemic and specific crisis early warning indicators, procedures for monitoring and activating non-ordinary operations, crisis management strategies and tools).

Traditionally, the Bank has had a significant amount of liquid resources due to the composition of its liquidity buffer, consisting mainly of high-quality financial instruments eligible for refinancing operations with the Eurosystem.

At the reporting date of the financial statements, the amount of free cash reserves, understood as high-quality liquid assets calculated for the purposes of determining the Liquidity Coverage Ratio (LCR), stood at EUR 4.08 billion.

Quantitative information

1. Time-based breakdown by residual contractual duration of financial assets and liabilities

Euro

ITEMS/TIME PERIOD BRACKETS	On demand	Between 1 day and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 month and 3 months
A. CASH ASSETS	977,315	213,219	272,706	97,440	938,625
A.1 Government securities	1,673	-	25	-	371,515
A.2 Other debt securities	-	-	1	298	31,218
A.3 UCITS units	3,094	-	-	-	-
A.4 Loans	972,549	213,219	272,680	97,141	535,892
- Banks	20,706	212,992	268,279	76,632	451,967
- Customers	951,843	227	4,402	20,510	83,925
B. CASH LIABILITIES	3,628,017	1,302,228	221,016	21,054	820,333
B.1 Deposits and current accounts	3,290,586	129	-	5,836	671,146
- Banks	2,334,163	-	-	5,836	671,146
- Customers	956,423	129	-	-	-
B.2 Debt securities	-	-	-	-	29,425
B.3 Other liabilities	337,431	1,302,099	221,016	15,217	119,762
C. "OFF BALANCE-SHEET" OPERATIONS					
C.1 Financial derivatives with exchange of capital					
- Long positions	-	15,958	3,846	1,630	8,285
- Short positions	-	40,061	22,793	36,233	18,217
C.2 Financial derivatives without exchange of capital					
- Long positions	72,076	-	-	-	302
- Short positions	74,600	478	-	-	796
C.3 Deposits and loans to be received					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.5 Financial guarantees given	1,520	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of capital					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of capital					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

ITEMS/TIME PERIOD BRACKETS	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Beyond 5 years	Indefinite maturity
A. CASH ASSETS	446,444	965,192	4,664,945	2,246,417	637,047
A.1 Government securities	131,788	441,977	2,254,148	1,649,399	-
A.2 Other debt securities	35,029	119,217	932,007	179,712	-
A.3 UCITS units	-	-	-	-	-
A.4 Loans	279,627	403,999	1,478,791	417,306	637,047
- Banks	146,867	165,079	445,082	2,735	636,797
- Customers	132,760	238,919	1,033,709	414,571	251
B. CASH LIABILITIES	566,473	379,439	3,347,830	213,675	-
B.1 Deposits and current accounts	755	284,592	2,544,756	179,151	-
- Banks	-	283,246	2,500,000	175,044	-
- Customers	755	1,346	44,756	4,107	-
B.2 Debt securities	-	17,288	800,000	-	-
B.3 Other liabilities	565,718	77,559	3,074	34,525	-
C. OFF BALANCE-SHEET OPERATIONS					
C.1 Financial derivatives with exchange of capital					
- Long positions	6,816	1,734	1,857	-	-
- Short positions	7,365	1,190	-	-	-
C.2 Financial derivatives without exchange of capital					
- Long positions	465	328	3,826	32,475	-
- Short positions	9	15	3,826	35,442	-
C.3 Deposits and loans to be received					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.5 Financial guarantees given	38	1,424	52	253	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of capital					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of capital					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

Other Currencies

ITEMS/TIME PERIOD BRACKETS	On demand	Between 1 day and 7 days	Between 7 and 15 days	Between 15 days and 1 month	Between 1 month and 3 months
A. CASH ASSETS	16,715	4,446	875	12,648	5,183
A.1 Government securities	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-
A.4 Loans	16,715	4,446	875	12,648	5,183
- Banks	16,661	4,446	875	12,648	5,183
- Customers	53	-	-	-	-
B. CASH LIABILITIES	105,724	15,441	4,365	4,217	11,705
B.1 Deposits and current accounts	102,576	15,441	4,365	4,136	8,476
- Banks	102,277	15,441	4,365	4,136	8,476
- Customers	300	-	-	-	-
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	3,148	-	-	81	3,229
C. OFF BALANCE-SHEET OPERATIONS					
C.1 Financial derivatives with exchange of capital					
- Long positions	-	40,418	23,333	36,804	18,896
- Short positions	-	16,163	4,027	1,923	8,497
C.2 Financial derivatives without exchange of capital					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.3 Deposits and loans to be received					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	199
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of capital					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of capital					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

ITEMS/TIME PERIOD BRACKETS	Between 3 and 6 months	Between 6 months and 1 year	Between 1 and 5 years	Beyond 5 years	Indefinite maturity
A. CASH ASSETS	1,553	53	103	-	-
A.1 Government securities	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-
A.4 Loans	1,553	53	103	-	-
- Banks	1,500	-	-	-	-
- Customers	53	53	103	-	-
B. CASH LIABILITIES	1,768	202	-	-	-
B.1 Deposits and current accounts	1,122	202	-	-	-
- Banks	1,122	202	-	-	-
- Customers	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-
B.3 Other liabilities	646	-	-	-	-
C. OFF BALANCE-SHEET OPERATIONS					
C.1 Financial derivatives with exchange of capital					
- Long positions	7,705	1,231	-	-	-
- Short positions	7,104	1,763	1,857	-	-
C.2 Financial derivatives without exchange of capital					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.3 Deposits and loans to be received					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.4 Irrevocable commitments to disburse funds					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-
C.7 Credit derivatives with exchange of capital					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-
C.8 Credit derivatives without exchange of capital					
- Long positions	-	-	-	-	-
- Short positions	-	-	-	-	-

Self-securitisation transactions

The Bank did not implement any self-securitisation transactions.

Section 5 – Operating risks

Qualitative information

A. GENERAL ASPECTS, MANAGEMENT PROCESSES AND MEASUREMENT METHODS FOR OPERATIONAL RISK

Operational risk, as defined by prudential regulations, is the “risk of sustaining losses deriving from the inadequacy or dysfunction of procedures, human resources and internal systems or those caused by exogenous events”.

This definition includes legal risk (i.e. the risk of suffering losses resulting from violations of laws or regulations, contractual or non-contractual liability or other disputes), but does not consider reputational and strategic risk.

Operational risk therefore refers to different types of events that are not individually relevant and are quantified jointly for the entire risk category.

Operational risk - which is inherent in the performance of banking activities - is generated across all company processes. In general, the primary sources of operating risk are internal fraud, external fraud, workplace employment and safety reports, professional obligations with respect to clients or the nature and characteristics of products as well as damages from external events and the breakdown of IT systems and deficiencies in the handling of transactions or process management, as well as losses due to positions with commercial counterparties and suppliers.

The following subcategories of risk are significant in terms of operational risks:

- “ICT and security” risk, namely the risk of incurring losses due to a breach of confidentiality, lack of integrity of the systems and data, inadequacy or unavailability of the systems and data or inability to replace the information technology (IT) within a reasonable time and cost limits, in case of changes to the requirements of the external environment or activity (agility), as well as security risks arising from inadequate or incorrect internal processes or external events, including cyber attacks or a level of inadequate physical security;
- “third-party risk”, namely the risk of incurring economic losses, damage to reputation or market share losses arising from the outsourcing/supply of services and/or company functions.

Given that it is a transversal risk across processes, operational risk can be controlled and mitigated through currently effective regulations (regulations, executive provisions, proxies) which operate primarily for the purposes of prevention. Specific line controls are then set up on the basis of these regulations as a verification and additional system for monitoring this type of risk.

Currently effective regulations are also applied to IT procedures with the aim of constantly monitoring the correct assignment of authorisation as well as compliance with functional subdivisions on the basis of company roles.

Regulations and line controls are governed by the Board of Directors, implemented by the Management and updated, as a rule, by specialist managers.

With reference to organisational controls, the establishment of the Compliance function is important, which is responsible for monitoring and controlling compliance with regulations and which provides support to the process of preventing and managing the risk of being subject to judicial or administrative sanctions as well as the risk of reporting significant losses following the violation of external regulations (laws or regulations) or internal ones (Articles of Association, codes of conduct, corporate governance codes). The Compliance Department also operates through its own representatives identified within the individual Group Banks.

In addition, second-level controls are envisaged regarding the checks on the risks associated with the management of the IT system and the operations of employees.

The operational risk management process consists of the following steps:

- **identification and assessment**, which includes the detection, collection and classification of quantitative and qualitative information relating to operational risk; these risks are constantly and clearly identified, reported and relayed to top management;
- **measurement**, which includes the activity of determining operational risk exposure based on information collected at the identification stage;
- **monitoring and control**, which includes activities concerning the regular monitoring of the operational risk profile and exposure to significant losses, through the provision of a regular information flow that promotes active risk management;
- **risk management**, which includes activities aimed at containing operational risk consistently with the established risk appetite, implemented by intervening on significant risk factors or through their transfer, through the use of insurance coverage or other instruments;
- **reporting**, activities aimed at preparing information to be transmitted to corporate bodies (including control bodies) and to all corporate structures involved, regarding the risks assumed or assumable.

During the financial year, the Bank, under the coordination of the Parent Company, has implemented a procedure for the recognition of operational loss events and the related economic effects. It also carried out assessments for the prospective measurement of operational risk (Risk and Control Self-Assessment – RCSA) and analysis activities were also launched for the risk generated by operations with third parties (third-party risk management) using a tool provided by the Parent Company.

Finally, there are the third level controls carried out by the Internal Audit Department, which periodically reviews the functionality of the control system as part of the various corporate processes.

As part of the overall assessment, with specific reference to the risk component linked to the outsourcing or supply of business processes/activities, it should be noted that the Bank mainly uses the services offered by the Parent Company and its instrumental companies. These circumstances constitute a mitigation of the risks assumed by the Bank in outsourcing or supplying essential or important control functions (ICF).

With regard to all the existing outsourcing/supply profiles, the procedures have been activated to ascertain the correct performance of the supplier's activities by preparing, according to the different types, risks and relevance of the service, different levels of contractual protection and control. The Bank internally maintains the expertise required to effectively control the outsourced essential or important functions and to manage the risks associated with supplies, including those arising from potential conflicts of interest of the service provider. In this context, an internal contact representative has been identified within the organisation for each of the outsourced activities, with adequate professional requirements, responsible for monitoring the level of services provided by the outsourcer and set out in the respective contracts and for reporting to corporate bodies on the status and performance of the outsourced/supplied functions.

With reference to the regulatory measurement of the prudential requirement for operational risks, the Bank, in view of its organisational, operational and dimensional profiles, has approved the application of the Basic Indicator Approach (BIA).

On the basis of this methodology, the capital requirement for operating risks is measured by applying the regulatory coefficient of 15% to the average of the last three data recordings - on an annual basis - of an indicator of the volume of corporate operations (so-called relevant indicator, referring to the year-end situation).

If one of the observations shows that the relevant indicator is negative or zero, this figure shall not be taken into account in the calculation of the three-year average.

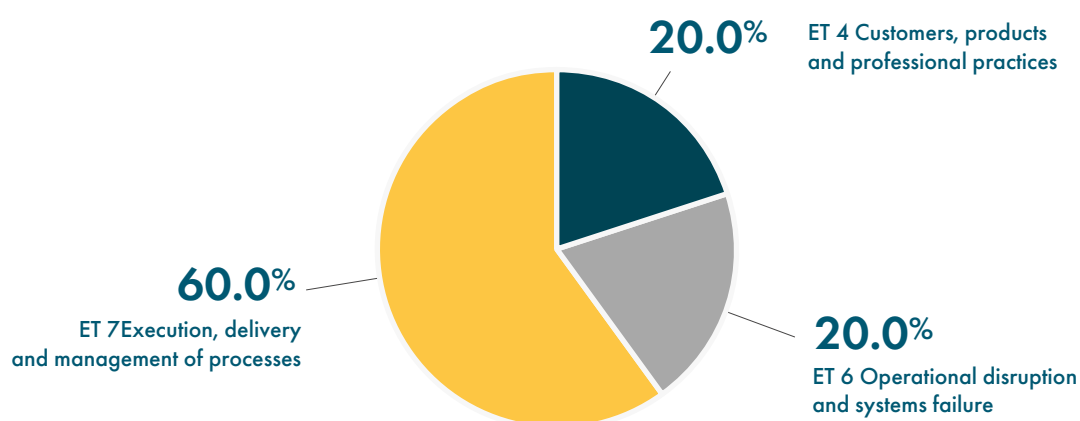
The adoption of a Business Continuity and Emergency Plan to protect the Bank against critical events that may affect its overall operations is also part of the measures to mitigate these risks.

YEAR	Amount
Year T	326,319
Year T-1	235,555
Year T-2	259,016
RELEVANT INDICATOR AVERAGE LAST 3 YEARS	273,630
CAPITAL REQUIREMENT (15% OF THE AVERAGE)	41,045

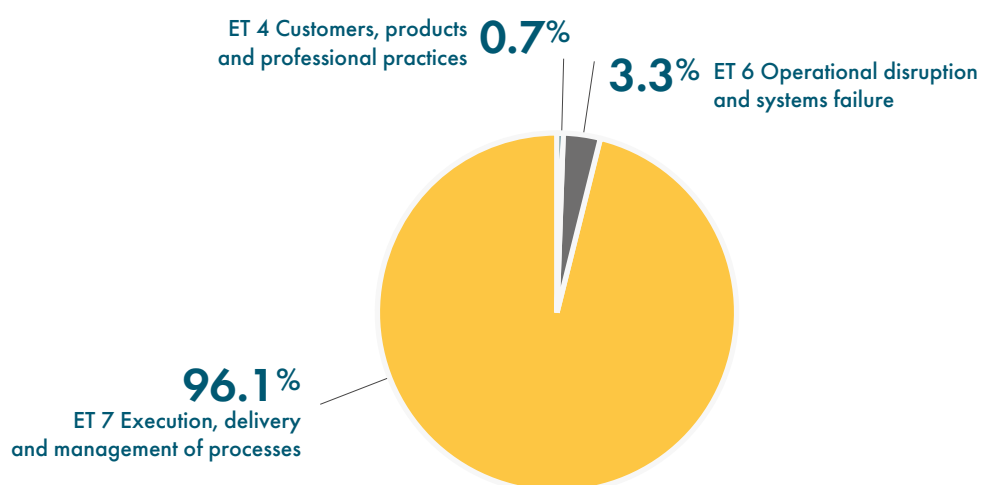
Quantitative information

With reference to the quantitative information for the year, in relation to the structured process of Loss Data Collection, the distribution by Event Type is reported for Cassa Centrale Banca.

Number of operational loss events with effects recorded in 2024



Net operating losses in 2024



The operational losses were mainly concentrated in the event type “ET 7 Execution, delivery and management of processes” (96.1% of frequencies and 60.0% of the total impacts detected), followed by “ET 6 Business interruptions and system downtime” (20.0% of frequencies and 3.3% of the total impacts detected).

Legal risk

In carrying out its activities, the Bank may be involved in legal disputes and proceedings. For these disputes and proceedings, adequate provisions have been made in the financial statements based on the reconstruction of the amounts potentially at risk, the assessment of the risk carried out according to the degree of “probability” and/or “possibility” as defined by IAS 37 and taking into account the most consolidated case law on the subject. Therefore, although it is not possible to predict with certainty the final outcome, it is believed that any unfavourable result of these proceedings would not have, either individually or as a whole, a significant negative effect on the financial and economic situation of the Bank. For more detailed information, please refer to Part B, Section 10 - Provisions for risks and charges.

PART F - Information on equity

Section 1 - Equity

Qualitative information

Equity is the main safeguard against corporate risks associated with the Bank's activities. It represents a fundamental reference parameter for solvency assessments, conducted by the Supervisory Authorities and by the market, and is the best element for effective management, both from a strategic point of view and in terms of current operations, as it is a financial element capable of absorbing possible losses produced by the Bank's exposure to all the risks assumed. In addition, it also plays an important role in terms of guaranteeing depositors and creditors in general.

For this purpose, the international and local Supervisory Authorities have established strict requirements for determining the regulatory capital and the minimum capital requirements that credit institutions must comply with.

The capital to which the Bank refers is that defined by EU Regulation no. 575/2013 (CRR) in the notion of Own Funds and is divided into the following components:

- Tier 1 capital, consisting of Common Equity Tier 1 capital (CET 1) and Additional Tier 1 capital (AT1);
- Tier 2 capital - (T2).

In this, particular importance is represented by:

- a careful profit distribution policy, which in compliance with the provisions of the sector, entails a significant allocation to the profit reserves by the Bank;
- prudent management of investments, which takes into account the risk of counterparties;
- capital strengthening plans through the issue of equity instruments and subordinated securities.

All this is pursued within the scope of compliance with capital adequacy by determining the level of internal capital necessary to face the risks assumed, from a current and future perspective, as well as in stressful situations, and taking into account the company objectives and strategies in the contexts in which the Bank operates. These assessments are carried out annually in conjunction with the definition of the budget objectives and, if necessary, in view of extraordinary transactions involving the Bank.

Moreover, at least every quarter, compliance with the minimum capital requirements, envisaged by the provisions in force, as per Art. 92 of the CRR shall be verified, based on which:

- the value of Common Equity Tier 1 capital in relation to total risk-weighted assets must be at least 4.5% (CET1 capital ratio);
- the value of Tier 1 capital in relation to total risk-weighted assets must be at least 6.0% (T1 capital ratio);
- the value of own funds in relation to total risk-weighted assets must be at least 8.0% (Total capital ratio).

The Capital Conservation Buffer of 2.5% was added to these minimum regulatory requirements.

Additionally, from 31 December 2024 a new systemic risk capital reserve (Systemic Risk Buffer, SyRB) is active, equal to 0.5% of the material exposure, formed of high-quality capital. From 30 June 2025, the target coefficient of 1% will be applied to the aforesaid reserve, in line with the relevant regulatory provisions.

Any failure by the Supervised Entity to comply with all these requirements (the Combined Requirement) will result in limitations on dividend distributions, variable remuneration and other elements of regulatory capital beyond pre-established limits, and as a result, Supervised Entities will be required to take appropriate action to restore the required level of capital.

Moreover, as of 1 January 2016, the Banks are required to hold a Countercyclical Capital Buffer. Starting from 1 January 2019, this reserve, consisting of Common Equity Tier 1, may not exceed 2.5% of the total amount of risk-weighted exposures.

Considering that, as per Bank of Italy notice of 27 September 2024, for the fourth quarter of 2024, the countercyclical buffer ratio for exposures to counterparties resident in Italy has been set at 0%, that countercyclical capital ratios have generally been set at 0%, and that the Bank has mainly exposures to domestic entities, the Bank-specific countercyclical ratio is close to zero.

At the reporting date of these financial statements, the Bank reports:

- a ratio of Common Equity Tier 1 capital - CET1 - to risk-weighted assets (CET 1 ratio) of 47.56%;
- a ratio of Tier 1 capital to risk-weighted assets (Tier 1 capital ratio - Tier 1 ratio) of 47.56%;
- a ratio of own funds to risk-weighted assets (total capital ratio) of 47,56%.

The amount of own funds is not only fully sufficient on all three binding capital levels, but also adequate to cover the Capital Conservation Buffer.

Quantitative information

B.1 Company's capital: breakdown

Items/Values	Amount 31/12/2024	Amount 31/12/2023
1. Share Capital	952,032	952,032
2. Share premium	19,029	19,029
3. Reserves	207,650	191,270
- profit	207,632	191,252
a) legal	36,683	35,127
b) statutory	-	-
c) own shares	-	-
d) other	170,949	156,125
- other	18	18
4. Equity instruments	-	-
5. (Own shares)	-	-
6. Valuation reserves:	5,400	(6,108)
Equities measured at fair value through other comprehensive income	2,954	1,385
Hedging of equities measured at fair value through other comprehensive income	-	-
Financial assets (other than equities) measured at fair value through other comprehensive income	2,003	(7,940)
Tangible assets	-	-
Intangible assets	-	-
- Hedging of foreign investments	-	-
- Cash flow hedging	-	-
Hedging instruments [non designated elements]	-	-
- Exchange rate differences	-	-
Non-current assets and groups of assets held for disposal	-	-
Financial liabilities measured at fair value through profit or loss (changes in credit rating)	-	-
Actuarial gains (losses) from defined benefit plans	(453)	(449)
- Quotas of valuation reserves relative to shareholdings measured with the equity method	-	-
- Special revaluation laws	896	896
7. Profit (loss) for the year	36,975	31,123
Total	1,221,085	1,187,345

B.2 Valuation reserves for financial assets designated at fair value through other comprehensive income: composition

ASSETS/VALUES	Total 31/12/2024		Total 31/12/2023	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	3,090	(1,088)	152	(8,091)
2. Equities	4,331	(1,377)	3,884	(2,499)
3. Loans	-	-	-	-
Total	7,421	(2,465)	4,035	(10,590)

B.3 Valuation reserves for financial assets designated at fair value through other comprehensive income: annual changes

	Debt securities	Equities	Loans
1. OPENING BALANCES	(7,940)	1,385	-
2. POSITIVE CHANGES	22,886	2,799	-
2.1 Fair value increases	9,226	2,063	-
2.2 Writedowns for credit risk	405	X	-
2.3 Reversals of negative reserves to the income statement: from sale	12,643	X	-
2.4 Transfers to other components of equity (equities)	-	200	-
2.5 Other changes	612	536	-
3. NEGATIVE CHANGES	12,943	1,230	-
3.1 Fair value decreases	7,138	388	-
3.2 Write-backs for credit risk	290	-	-
3.3 Reversals of positive reserves to the income statement: from sale	46	X	-
3.4 Transfers to other components of equity (equities)	-	-	-
3.5 Other changes	5,469	842	-
4. CLOSING BALANCES	2,003	2,954	-

B.4 Valuation reserves relating to defined benefit plans: annual changes

ITEMS	31/12/2024	31/12/2023
1. OPENING BALANCES	(449)	(312)
2. POSITIVE CHANGES	25	29
2.1 Actuarial gains from defined benefit plans	25	-
2.2 Other changes	-	29
2.3 Business combinations	-	-
3. NEGATIVE CHANGES	(29)	(166)
3.1 Actuarial losses from defined benefit plans	-	(166)
3.2 Other changes	(29)	-
3.3 Business combinations	-	-
4. CLOSING BALANCES	(453)	(449)

Section 2 – Own funds and adequacy ratios

With regard to the contents of this section, please refer to the information on own funds and capital adequacy contained in the public disclosure ("Third Pillar"), prepared on a consolidated basis by the Parent Bank Cassa Centrale Banca Credito Cooperativo Italiano S.p.A. pursuant to Regulation (EU) no. 575/2013 of 26 June 2013 (CRR).

PART G - Business combinations regarding companies or branches

Section 1 - Transactions implemented during the year

During the year, the Bank did not implement business combinations with companies or company branches, as regulated by IFRS 3, nor did it carry out any business combinations with entities subject to common control (known as “Business combinations between entities under common control”).

Section 2 – Transactions implemented after the close of the year

After the end of the 2024 financial year and until the date of approval of the draft financial statements by the Board of Directors, the Bank did not carry out business combinations with companies or company branches, as regulated by IFRS 3, nor did it carry out any business combinations between entities under common control (known as business combination between entities under common control).

Section 3 - Retrospective adjustments

No adjustments relating to business combinations that occurred in the same year or in previous years were recorded during 2024.

PART H - Transactions with related parties

The Bank, in compliance with the procedures provided for by sector regulations, has adopted the “Group Regulations for the management of transactions with related parties”.

The aforementioned Regulation, which takes into account the provisions of Bank of Italy Circular no. 263 of 27 December 2006 and subsequent updates, is intended to govern the identification, approval and execution of Transactions with Related Parties carried out by the Parent Company, the affiliated Banks and Group companies, as well as the organisational structure and internal control system that the Group uses in order to preserve the integrity of decision-making processes in Transactions with Related Parties, ensuring constant compliance with the prudential limits and decision-making procedures established by the aforementioned Bank of Italy Circular.

For stricter accounting purposes, the provisions of “IAS 24 - Related Party Disclosures” also apply, for which the Bank has taken into account the information provided at Cassa Centrale Group level with regard to the identification of the related scope of consolidation.

More specifically, under the Cassa Centrale Group’s internal regulations, the following are identified as related parties:

Natural persons:

- executives with strategic responsibilities (including Directors, Standing Auditors and General Management members) of the entity preparing the financial statements:
 - executives with strategic responsibilities are those who retain powers and responsibilities, directly or indirectly, pertaining to the planning, management and control of the Company’s activities;
- the immediate family members of “executives with strategic responsibilities”:
 - close family members of a person are those family members who are expected to influence, or be influenced by, that person in their dealings with the entity, including:
 - children (even if not living together) and the spouse (even if legally separated) or common-law spouse of that person;
 - the children of the spouse or common-law spouse of that person;
 - the dependants of that person or the dependants of that person’s spouse or common-law spouse for tax purposes;
 - the brothers, sisters, parents, grandparents and grandchildren - even if not living together - of that person;
 - persons who have significant influence over the entity preparing the financial statements.

Legal Entity/legal person:

- entity controlled (direct, indirect or joint control) by one of the persons referred to in the previous point (natural persons);
- entity that has significant influence over the entity preparing the financial statements as well as their subsidiaries and related joint ventures;
- BCC-CR-RAIKA belonging to the Cassa Centrale Group;
- the companies belonging to the Cassa Centrale Group (direct, indirect or joint control) as well as their subsidiaries;
- associates and joint ventures and their subsidiaries;
- entity that has control (joint control or otherwise) over the entity preparing the financial statements;
- post-employment benefit plans for employees of the Group.

1. Information on compensation of executives with strategic responsibilities

Executives with strategic responsibilities are those which retain powers and responsibilities, directly or indirectly, pertaining to the planning, management and control of the Company's activities.

These include the following:

- Chief Executive Officer;
- Deputy General Manager;
- Chairperson of the Board of Directors;
- members of the Board of Directors;
- the Chairperson of the Board of Statutory Auditors and the Standing Auditors;
- executives who report directly to the Board of Directors or the Chief Executive Officer.

The table below shows, in compliance with the requirements of para. 17 of IAS 24, the amount of compensation paid during the year to the members of the Management and Control Bodies as well as the compensation relating to other executives with strategic responsibilities that fall within the notion of related party.

	MANAGEMENT BODIES		CONTROL BODIES		OTHER MANAGERS		TOTAL AT 31/12/2024	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Salaries and other short-term benefits	3,219	3,085	438	438	6,862	6,862	10,519	10,385
Benefits relative to the post-employment period (social security, insurance, etc.)	-	-	-	-	240	-	240	-
Other long-term benefits	-	-	-	-	-	-	-	-
Compensation for termination of employment	-	-	-	-	-	-	-	-
Payments in shares	-	-	-	-	-	-	-	-
Total	3,219	3,085	438	438	7,103	6,862	10,759	10,385

2. Information on transactions with related parties

The table below provides information on the balance sheet and income statement transactions with related parties during the period.

	Assets	Liabilities	Guarantees given	Guarantees received	Revenues	Costs
Parent Company	-	-	-	-	-	-
Subsidiaries	4,205,064	5,995,444	26,361,959	4,358	420,153	305,389
Associates	12,524	8,332	9,345	-	43	98
Directors and Executives	1,305	3,496	47	70	295	97
Other related parties	2,926	4,748	24	8,890	1,431	144
Total	4,221,819	6,012,020	26,371,375	13,317	421,922	305,728

It should be noted that "Other related parties" include the close relatives of Directors, Statutory Auditors and other Executives with strategic responsibilities, as well as subsidiaries, jointly-controlled companies and associates of the same parties or their close relatives.

During the year there were no analytical value adjustments or losses for receivables from related parties. Only the collective write-down was applied to receivables from related parties in accordance with IFRS 9.

Relations and transactions with related parties are attributable to ordinary credit and service activities and have normally developed during the year according to contingent needs or benefits, in the common interest of the parties. The conditions applied to individual relationships and transactions with such counterparties do not differ from current market conditions, or are aligned, if the conditions are met, with the conditions applied to employees.

Transactions with related parties, excluding those with subsidiaries, do not have a significant incidence on the financial situation, economic result and cash flows of the Bank.

PART I - Payment agreements based on own equity instruments

This section is not completed given that the Bank has not entered into any payment agreements based on own equity instruments.

PART L - Segment reporting

Since the Bank is not listed nor is an issuer of widely distributed securities, it is not required to complete the segment reporting pursuant to IFRS 8.

PART M - Information on leasing

Section 1 – Lessee

Qualitative information

IFRS 16 has standardised the accounting treatment of operating and finance leases for the lessee, requiring the lessee to recognise:

- in the balance sheet: i) a financial liability, which represents the present value of future payments that the company undertakes to make in relation to the lease, and ii) an activity that represents the “right of use” of the asset involved in the lease;
- in the Income Statement: i) the financial expenses connected with the aforementioned financial liability and ii) the amortisation related to the above-mentioned “right of use”.

The lessee recognises in the Income Statement the interest deriving from the lease liability and the amortisation of the right of use. The right of use is amortised over the effective duration of the underlying contract.

As part of the highlighted accounting aspects, the Bank mainly has leasing contracts relating to buildings.

The choices made by the Bank

The choices made by the Bank regarding IFRS 16 are fully consistent with those applied by the entire Cassa Centrale Group.

More specifically, the Bank adopts IFRS 16 using the simplified prospective approach, which provides for the recognition of a lease liability equal to the present value of future lease payments and a right of use for the same amount. This approach does not therefore have an impact on equity.

The Bank, by adopting the practical expedient described in paragraph 6 of IFRS 16, excluded from the scope of application (i) contracts with a residual useful life at the date of first application of less than 12 months and (ii) contracts involving assets with a value of less than EUR 5,000. With reference to these two scenarios, rental fees have been recorded under operating costs in the Income Statement. The Bank has also applied IFRS 16 to embedded leases, i.e. contracts other than hire/lease/rental contracts that substantially contain long-term rental, lease or hire.

Discount rate

The Bank, in application of IFRS 16, uses the weighted average rate of funding at maturity.

Contract duration

The duration of the contract corresponds to the non-cancellable period during which the individual company is subject to an obligation to the lessor and has the right to use the leased property. The following form part of the duration of the contract:

- the periods covered by the option to extend the lease, if the lessee is reasonably certain to exercise the option;
- the periods covered by the option to terminate the lease, if the lessee is reasonably certain not to exercise the option.

Periods covered by an option to terminate the bilateral contract are not part of the duration of the contract. In such cases the duration of the contract is limited to the notification period for the exercise of the option.

Lease and non-lease components

The Bank has considered separating the service and lease components. Only the lease components participate in the definition of the lease liability, while the service components maintain the same accounting treatment as other operating costs.

Quantitative information

All the quantitative information relating to the rights of use acquired through lease, payables for leases and the related income statement components have already been presented in other sections of these Explanatory Notes.

Specifically:

- information on rights of use acquired through lease is provided in "Part B - Information on the Balance sheet, Assets, Section 8 - Tangible assets and Section 9 - Intangible assets";
- information on payables for leases is provided in "Part B - Information on the Balance sheet, Liabilities, Section 1 - Financial liabilities measured at amortised cost";
- the information on interest expense on payables for leases and other expenses related to rights of use acquired through lease, profits and losses deriving from sale and leaseback transactions and income deriving from sub-lease transactions, can be found in "Part C - Information on the Income Statement", in the respective sections.

Reference is therefore made to the considerations set out in the aforementioned information parts.

With reference to the costs relating to short-term leases, accounted for in accordance with paragraph 6 of IFRS 16, reference should be made to "Part C - Information on the Income Statement".

Section 2 – Lessor

This is not applicable to the Bank.

Annexes to the financial statements of Cassa Centrale Banca

Annex A) Report on the guarantee scheme

Report on the Guarantee Scheme

The financial soundness of the Group is assured through the signing of the Guarantee Agreement, whereby the Parent Company and the Affiliated Banks (hereinafter also “the Parties”) jointly and severally guarantee, within the limits of their free capital, the external creditors and provide each other with support to preserve the solvency and liquidity of each Affiliated Bank and the Parent Company.

To this end, Cassa Centrale Banca and its Affiliated Banks have established, each for its share, the financial means readily available for the proper operations of the guarantee scheme. The contributions to the readily available financial means are determined using the results of the stress tests expressed in terms of Probability of Default and Loss Given Default of each Party to the Guarantee Agreement, calculated applying the method defined in a specific Regulation on the cross-guarantee system methodology. This regulation was approved by resolution of the Board of Directors of Cassa Centrale Banca on 10 June 2022. On the basis of this Regulation, the method for allocating the portions of contributions to the available financial means is based on the individual RWAs of the Parties to the agreement.

The readily available financial funds, as determined above, have been divided between the ex ante and ex post portions of the cross-guarantee.

The ex-ante portion represents the portion of the Parent Company’s pre-established financial funds readily available to the Parties for the implementation of intra-group Support measures, while the “ex-post portion” represents the portion of the financial resources allocated to the Parties’ financial statements but subject to readily available constraints, which may be called by the Parent Company if the “ex-ante portion” is not available, as well as in the other cases indicated in the Guarantee Agreement.

The readily available financial means relating to the “ex-ante portion” have been constituted through the instrument of financing allocated to a specific business pursuant to Article 2447-bis, letter b) and Article 2447-decies of the Italian Civil Code. This instrument is regulated by a loan agreement entered into between the Parent Company and the Affiliated Banks whereby the lending parties (Affiliated Banks) make available to the beneficiary (the Parent Company) the “ex-ante portion” of their own for the sole purpose of the deal. The purpose of this deal is to set up and manage the “ex-ante portion” for the implementation of intra-group support measures to safeguard the solvency and liquidity of each Party. With the conclusion of the financing contract for a specific business and the registration of the contract at the Companies’ Register, the segregation effects provided for in Article 2447-decies of the Italian Civil Code are applied and produced, according to which the sums collected with the financing itself, as well as the proceeds and profits of the business, constitute separate assets of the company, protected from the availability and actions of the company’s creditors. The separation of assets corresponds to a separation of accounts capable of achieving and guaranteeing the segregation effects referred to in Article 2447-decies of the Italian Civil Code.

The portion was invested by the Parent Company exclusively in liquid assets and/or assets which can easily be liquidated falling within the categories set out in Article 10 of Commission Delegated Regulation (EU) 2015/61 of 10 October 2014, which supplements Regulation (EU) no. 575/2013 (known as “Level 1 assets”).

The “ex-post portion”, in order to make it immediately usable if required, has been incorporated directly in the financial statements of Cassa Centrale Banca, partly with the liquidity collected by the Affiliated Banks through a term deposit maturing over 12 months (01/7/2024-01/7/2025) and bearing interest at an annual rate of 1.75% and the remainder with the liquidity made available by the Parent Company itself. This portion was invested, as was the case for the “ex-ante portion”, in Level 1 assets.

Having said all this, the Parent Company, following the stress tests mentioned above, determined the need for a total amount of readily available funds, for the 12-month period (1 July 2024 - 30 June 2025), of EUR 291 million, broken down as follows:

- ex-ante portion amounting to EUR 185 million;
- ex-post portion amounting to EUR 106 million.

Intra-group support measures implemented until 31/12/2024

The use of readily available financial resources set up at the Parent Company for the implementation of intra-group support measures is subject to the assessment and consequent decision to activate the guarantee system by the body with strategic supervisory functions of the Parent Company, in compliance with the rules set out in the "Regulation on the cross-guarantee system methodology" and the "Regulation on the Risk Based Model".

Before adopting such a resolution, the Parent Company is required to analyse all further possible recovery actions and, only if these are not feasible, it may proceed to activate the guarantee system.

The activation of guarantee measures can take different forms of intervention, such as:

- capital intervention, through the issuance by the Affiliated Bank of financing shares qualifying as CET 1 or additional equity instruments qualifying as AT 1 and Tier 2;
- liquidity initiatives, through the subscription of ordinary bond loans issued by the Affiliated Bank or through the subscription of term deposits.

During 2024, no measures were implemented in favour of the Affiliated Banks.

The separate assets of Cassa Centrale Banca as at 31 December 2024 include the subordinated bond issued by Cassa Padana on 15 September 2020 – for a nominal amount of EUR 20 million – resulting from the intervention related to the bank's recovery plan approved by the Board of Directors of Cassa Centrale Banca in March 2020 and aimed at restoring a situation of normality in the main technical capital, asset quality and business model parameters, also through a series of capital interventions during the plan period by activating the cross-guarantee system.

The main characteristics of the subordinated bond issued by Cassa Padana and subscribed by Cassa Centrale Banca in 2020 are set below:

ISIN	IT0005421851
Description	CASSA PADANA 15/09/2027 2% SUB T2
Fixed rate	2%
Coupon expiry date	Annual deferred
Date of issue	15/09/2020
Maturity	15/09/2027
Nominal value	20,000,000

Composition of the investments of the "ex-ante portion"

The composition of the investments of the "ex-ante portion" established through the allocated loan as at 31 December 2024 is shown below, compared with the same composition as at 31 December 2023:

The investments in Italian government securities, as well as the instruments deriving from support measures that make up the "ex ante portion" as at 31 December 2024 and 31 December 2023, are measured at fair value through profit or loss as these instruments are measured at fair value.

ASSETS/VALUES	31/12/2024	31/12/2023
Italian government securities	164,375,321	164,861,395
Support measures	20,159,694	19,345,540
Liquidity	5,360,568	3,499,963
Total	189,895,583	187,706,898

Trend in the value of the “ex-ante portion”

The value of the “ex-ante portion” as at 31 December 2023 and 31 December 2024 is shown below, with evidence of the portion contributed by the Parent Company and Affiliated Banks:

	Ex ante portion		Total ex ante portion
	of which portion contributed by the Parent Company	of which portion contributed by affiliated Banks (Allocated Loan)	
31/12/2023	12,059,441	175,647,457	187,706,898
31/12/2024	13,094,912	176,800,671	189,895,583
Change in ex ante portion 31/12/2023 - 31/12/2024	1,035,471	1,153,214	2,188,685

The change in the “ex-ante portion” from 31 December 2023 to 31 December 2024 is due:

- for EUR -5,250,852, to the net contribution – which took place on 1 July 2024 – of readily available funds by the Parent Company – for EUR 534,464 – and the Affiliated Banks – for EUR -5,785,317;
- for EUR 7,439,537 to the valuation and/or realised income components, as detailed below, relating to the investments constituting the “ex-ante portion”.

	Economic components constituting the ex ante portion		Total
	of which portion contributed by the Parent Company	of which portion contributed by affiliated Banks (Allocated Loan)	
Interest income	343,224	4,753,396	5,096,621
Trading profit/(loss)	-34,490	-477,655	-512,156
Valuation profit/(loss)	192,271	2,662,802	2,885,072
Total	501,005	6,938,533	7,439,537

Financial statements of the loan allocated to a specific business

The special civil law regulation of the loan allocated to a specific business envisages a separation of accounts capable of achieving and guaranteeing the segregation effects referred to in article 2447-decies of the Italian Civil Code.

This accounting segregation was implemented in the accounts of Cassa Centrale Banca through the keeping of specific statement financial positions and income statements in the name of:

- investments in financial assets in which the liquidity raised through the allocated loan is invested;
- the liquidity on the demand deposit with the Bank of Italy dedicated to the management of the liquidity of the allocated loan;
- the financial liability to the Affiliated Banks for the allocated loan;
- any positive or negative income component deriving from the valuation of assets and liabilities constituting separate assets and from income or expenses related to the management of the specific business.

All positive or negative income components attributable to the business year determine the operating result of the business. This operating result is attributed to the lending parties through an accounting entry adjusting the fair value of the financial liability recognised through the funds received as “ex-ante portion” from the lending parties themselves.

The financial statements of the loan allocated to a specific business as at 31 December 2024, consisting of the balance sheet, the income statement for the management of the business and further details, correspond to the results of the accounting records of Cassa Centrale Banca made on the specific accounts in the name of the allocated loan.

The balance sheet and income statement as at 31 December 2024 and - for comparative purposes - the same statements as at 31 December 2023 are shown below, in Euro.

BALANCE SHEET

ASSETS		31/12/2024	31/12/2023
10.	Cash and cash equivalents	5,360,568	3,499,963
20.	Financial assets measured at fair value through profit or loss	184,535,015	184,206,935
	b) financial assets designated at fair value	184,535,015	184,206,935
Total assets		189,895,583	187,706,898

The item “cash and cash equivalents” includes the amount of cash and cash equivalents deposited on the Target 2 demand deposit with the Bank of Italy dedicated to the management of the liquidity of the allocated loan.

The item “ financial assets designated at fair value” includes:

- the fair value of the financial assets that can easily be liquidated falling within the categories set out in Article 10 of Commission Delegated Regulation (EU) no. 2015/61 of 10 October 2014, which supplements Regulation (EU) no. 575/2013 (known as “Level 1 assets”);
- the fair value of the financial assets subscribed in implementation of the support measures.

The following table shows the composition of the portfolio of financial assets designated at fair value, as well as the related profit/(losses) from fair value measurement and interest income for the year:

ISIN	Security	Expiry date	Nominal value	Book value	Valuation profit (loss)	Trading profit (loss)	Interest income
IT0005332835	BTP IT-21MG26 0.55%	21/05/2026	10,000,000	9,903,423	277,848	-	122,222
IT0005421851	PADANA 9/2027 2% SUB	15/09/2027	20,000,000	20,159,694	813,834	-	400,320
IT0005451361	CCT-EU 15AP29 TV%	15/04/2029	20,000,000	20,211,677	84,050	-	528,730
IT0005500068	BTP-01DC27 2.65% 27	01/12/2027	10,000,000	10,063,241	119,200	-	265,119
FR0012517027	OAT 0.5% 25 EUR	25/05/2025	25,000,000	24,875,592	544,750	-	125,206
IT0005170839	BTP-01GN26 1.60% 26	01/06/2025	30,000,000	29,762,060	172,740	-	101,200
IT0005252520	CCT-EU 15OT24 TV%	15/10/2024	-	-	-	-498,000	2,029,643
IT0005408502	BTP-01LG25 1.85% 25	01/02/2025	45,000,000	45,297,888	536,550	-	478,838
IT0005445306	BTP-15LU28 0.5% 21/2	01/07/2025	10,000,000	9,328,262	85,600	-	10,462
EU000A3K4DJ5	EUROPEAN UNION 0.8%	04/07/2025	15,000,000	14,933,178	220,500	-	54,904
DE000BU0E014	GERMANY T-BILL ZC 2	17/01/2024	-	-	-	6,613	63,387
DE000BU0E071	GERMANY T-BILL ZC 2	17/07/2024	-	-	-	-20,769	916,589
Total			185,000,000	184,535,015	2,855,072	-512,156	5,096,621

LIABILITIES		31/12/2024	31/12/2023
30.	Financial liabilities designated at fair value	176,800,671	175,647,458
80.	Other liabilities	13,094,912	12,059,441
Total liabilities		189,895,583	179,685,355

The item “Financial liabilities measured at fair value” includes the value of the “ex-ante portions” contributed by the Affiliated Banks, adjusted to take into account the allocation of the portion of the operating result of the separate assets attributable to the lending parties.

The item “Other liabilities” includes the value of the “ex-ante portion” of Cassa Centrale Banca adjusted to take into account the allocation of the portion of the operating result of the separate assets attributable to the Parent Company.

INCOME STATEMENT

ITEMS		31/12/2024	31/12/2023
10.	Interest income	5,096,621	5,310,371
20.	Interest expenses	-	-
30	Net interest income	5,096,621	5,310,371
50	Fees and commissions expenses	-	(570)
60	Net fees and commissions	-	(570)
110	Net result on other financial assets and liabilities measured at fair value through profit or loss	(4,595,616)	(4,726,787)
	a) financial assets and liabilities designated at fair value	(4,595,616)	(4,726,787)
120	Net interest and other banking income	501,005	583,014
150	Net income from financial activities	501,005	583,014
200	Other operating expenses/income	(501,005)	(583,014)
210	Operating costs	(501,005)	(583,014)
260	Profit (loss) before tax from current operating activities	-	-
300	Profit (Loss) for the year	-	-

The item “Interest income and similar revenues” includes accrued interest related to financial assets designated at fair value.

The item “Interest expenses and similar expenses” includes negative interest accrued on cash and cash equivalents deposited on the Target 2 demand deposit with the Bank of Italy dedicated to the management of the liquidity of the allocated loan.

The item “Net result on financial assets and liabilities designated at fair value” includes gains and losses from valuation and trading on financial assets designated at fair value and the change in fair value of financial liabilities to Affiliated Banks resulting from the allocation of the portion of the operating result for the year to the lending parties. The table below gives a breakdown of this item:

110 a)	Net result on other financial assets and liabilities measured at fair value through profit or loss: a)	(4,595,616)
	financial assets and liabilities measured at fair value	
	- of which financial assets designated at fair value	2,342,917
	- of which change in the fair value of the allocated loan contributed by the Affiliated Banks	(6,938,533)

The item “other operating expenses/income” includes the change in the “ex-ante portion” resulting from the allocation of the portion of the operating result for the year of the Parent Company.

Annex B) Audit and non-audit fees

TYPE OF SERVICES	Fees
Auditing	683
Certification services	118
Other services	-
Total	801

Please note that the fees indicated do not include VAT and out-of-pocket expenses.

Our values expressed by the accessibility of our reporting

We are a part of the Community; we are dedicated to creating shared value with People and the Territory. Our decision to draw up reporting documents in compliance with the highest standards of accessibility – one of the first Banking Groups in Italy to do so – expresses our way of being and the values we pursue every day.

The Annual Financial Report 2023 is easy to access from electronic devices and designed to offer a satisfying experience for readers of all abilities. Through these documents we communicate the actions carried out and results obtained during the year in an accessible way, making our continuous dialogue with stakeholders even more direct.

The table layout is imposed by stringent regulations established by the Bank of Italy and therefore may not be consistent with guidelines for full accessibility.

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