



MEDIOCREDITO
INVESTITIONSBANK
TRENTINO ALTO ADIGE SÜDTIROL



RIFUGIO
CONTO DEPOSITO



FINANCIAL STATEMENTS AND REPORTS AS AT 31 DECEMBER 2025

MEDIOCREDITO TRENTO - ALTO ADIGE - S.P.A.

Fully paid-up capital €58,484,608

Fiscal code and Trento Register of companies no. 00108470220

Bank Register no. 4764

Parent company of Gruppo Bancario Mediocredito Trentino – Alto Adige

Registered with the Banking Group Register

www.mediocredito.it

mc@mediocredito.it

REGISTERED OFFICE AND GENERAL MANAGEMENT

38122 Trento, Via dei Paradisi 1

Tel. +39 0461/888511

SECONDARY HEADQUARTERS

39100 Bolzano, Via Alto Adige 60

Tel. +39 0471/305111

BRANCHES

Treviso

Piazza delle Istituzioni 27 - 31100 Treviso

Tel. +39 0422/216411

Bologna

Via del Lavoro 53 – 40033 Casalecchio di Reno

Tel. +39 051/3390711

Padua

Via G. Gozzi 24 – 35131 Padua

Tel. +39 049/8236011

Brescia

Piazza Mons. Almici 23 – 25124 Brescia

Tel. +39 030/2284211

TABLE OF CONTENTS

KEY RATIOS	6
SHAREHOLDERS	8
STATUTORY BOARDS	9
SHAREHOLDERS' ORDINARY GENERAL MEETING	11
REPORT ON OPERATIONS	13
GENERAL ECONOMIC OVERVIEW	13
THE BANK IN 2025.....	15
BUSINESS REVIEW.....	17
PRINCIPAL TRENDS IN THE FINANCIAL STATEMENTS AND STATE OF AFFAIRS.....	47
THE SYSTEM OF INTERNAL CONTROLS, COMPLIANCE WITH LAWS AND REGULATIONS AND RISK MANAGEMENT.....	57
EXPECTED BUSINESS TREND AND R&D ACTIVITIES	68
PROPOSAL FOR THE ALLOCATION OF THE NET PROFIT	71
CERTIFICATION PURSUANT TO ARTICLE 81-TER OF CONSOB ISSUERS' REGULATION	73
INDEPENDENT AUDITORS' REPORT	75
BOARD OF STATUTORY AUDITORS' REPORT	81
COMPANY FINANCIAL STATEMENTS	85
NOTES TO THE FINANCIAL STATEMENTS	91
PART A ACCOUNTING POLICIES	93
A.1 General part.....	93
A.2 Illustration of the main items in the financial statements.....	95
A.3 Information on transfers of financial assets between portfolios.....	107
A.4 Fair value disclosure.....	107
PART B INFORMATION ON THE STATEMENT OF FINANCIAL POSITION	111
Assets.....	111
Liabilities	128
Other information.....	134
PART C INFORMATION ON THE INCOME STATEMENT	137
PART D COMPREHENSIVE INCOME	150
PART E INFORMATION ON RISKS AND RELATED HEDGING POLICIES	151
Introduction	151
Section 1 – Credit risk.....	151
Section 2 – Market risk.....	171
Section 3 – Derivative instruments and hedging policies	173
Section 4 – Liquidity risk.....	176
Section 5 – Operational risks	180
PART F INFORMATION ON EQUITY	183
Section 1 – Equity.....	183
Section 2 – Own funds and capital ratios	184
PART H – RELATED PARTY TRANSACTIONS	185
PART L – SEGMENT REPORTING	186
PART M – DISCLOSURE ON LEASES	188
Section 1 – Lessee.....	188
Section 2 – Lessor	188
ANNEXES	191
ANNEXE 1 COUNTRY BY COUNTRY REPORTING.....	193
ANNEXE 2 FINANCIAL STATEMENTS OF THE SUBSIDIARY COMPANY PARADISIDUE S.R.L.....	195
ANNEXE 3 GLOSSARY OF RATIOS	199
RESOLUTION OF THE SHAREHOLDERS' MEETING	201

KEY RATIOS¹

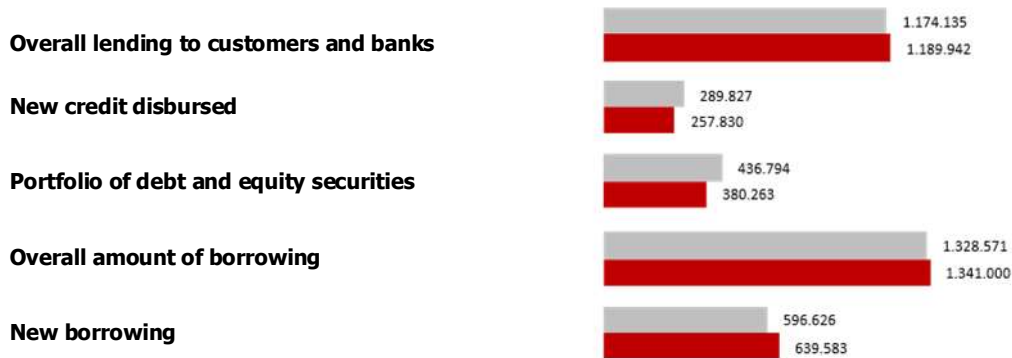
(Amounts are in thousands of €)

Rating

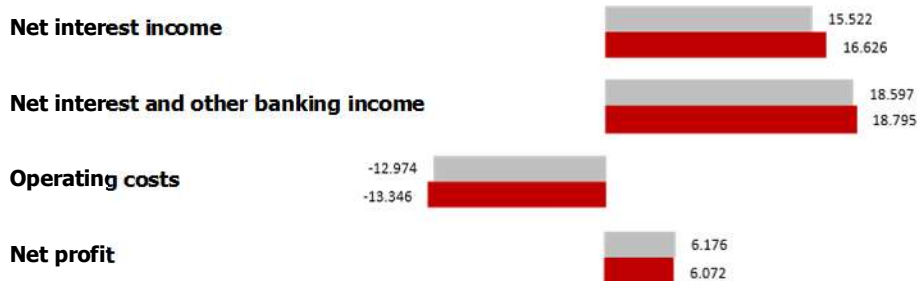
MOODY'S INVESTOR SERVICE	2025	2024
- Issuer Rating	Ba1	Ba1
- Bank Deposits	Baa1 / P-2	Baa2 / P-2
- Outlook	Stable	Negative



Financial position and flow data



Reclassified income statement data



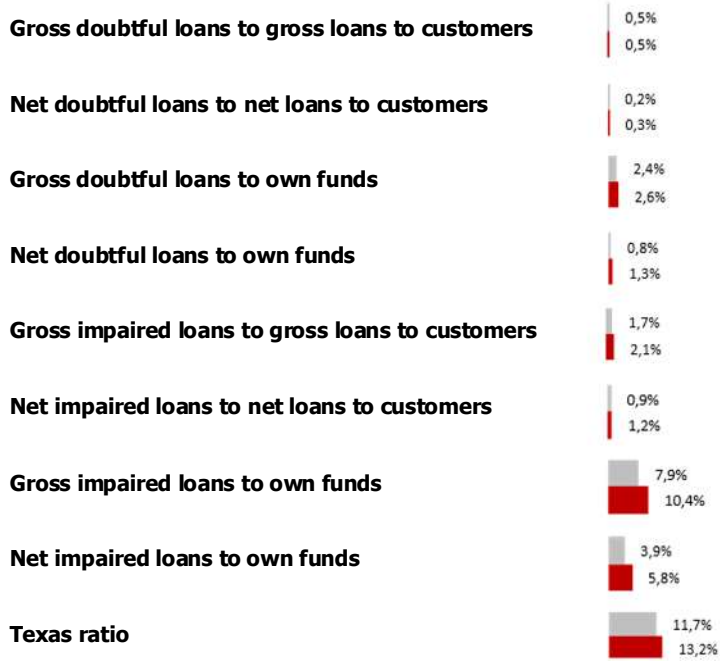
Capital and capital ratios



Risk ratios

1 All the ratios in the table are explained clearly in annex 2 "Glossary of ratios".

K E Y R A T I O S

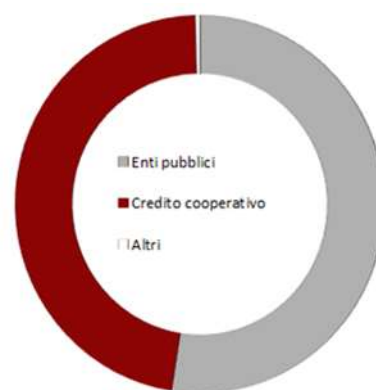


Other ratios



SHAREHOLDERS

Public entities		Co-operative banks		Other	
17.489%	AUTONOMOUS REGION OF TRENINO SOUTH TYROL	28.145%	CASSA CENTRALE RAIFFEISEN DELL'ALTO ADIGE	0.196%	ITAS
17.489%	AUTONOMOUS PROVINCE OF TRENTO	17.647%	CASSA CENTRALE BANCA CREDITO COOPERATIVO ITALIANO	0.178%	ISA – ISTITUTO ATEGINO DI SVILUPPO
17.489%	AUTONOMOUS PROVINCE OF BOLZANO	0.231%	CENTROMARCA BANCA-CREDITO COOPERATIVO DI TREVISO E VENEZIA	0.014%	SEAC FIN
52.466%		0.213%	BCC DI ROMA	0.388%	
		0.199%	FEDERAZIONE COOPERATIVE RAIFFEISEN		
		0.178%	ICCREA BANCA S.P.A.		
		0.227%	BVR BANCA VENETO CENTRALE CREDITO COOPERATIVO ITALIANO		
		0.071%	BANCA DELLA MARCA CREDITO COOPERATIVO		
		0.064%	CASSA PADANA BCC – SOCIETÀ COOPERATIVA		
		0.043%	BANCA VERONESE CREDITO COOPERATIVO DI CONCAMARISE		
		0.043%	BANCA PREALPI SAN BIAGIO CREDITO COOPERATIVO		
		0.043%	FEDERAZIONE TRENINA DELLA COOPERAZIONE		
		0.043%	FEDERAZIONE DEL NORD-EST CREDITO COOPERATIVO ITALIANO		
		47.147%			



STATUTORY BOARDS

BOARD OF DIRECTORS

CHAIR
Stefano Mengoni

DEPUTY CHAIR
Georg Mutschlechner

DIRECTORS
Cristiana Angeli
Sieglinde Fink
Paul Gasser***
Martina Rosa Krechel*
Simon Ladurner*
Luca Migliucci
Massimo Piffer*
Emiliano Trainotti**
Ilaria Vescovi

BOARD OF STATUTORY AUDITORS

CHAIR
Patrick Bergmeister

STANDING AUDITORS
Emiliano DorigHELLi
Hildegard Oberleiter

ALTERNATE AUDITORS
Martina Malfertheiner
Michaela Messner

ADMINISTRATION

GENERAL MANAGER
Diego Pelizzari

DEPUTY MANAGER/MANAGER RESPONSIBLE FOR PREPARING THE COMPANY'S FINANCIAL REPORTS
Leo Nicolussi Paolaz

OTHER POSITIONS

INDEPENDENT AUDITORS
KPMG S.p.A.

*** Chair of the Executive Committee

** Deputy Chair of the Executive Committee

* Other member of the Executive Committee

SHAREHOLDERS' ORDINARY GENERAL MEETING

The Shareholders are called to attend the Ordinary General Meeting on 28 April 2026 at 8:00 am on first call and if necessary on 29 April 2026 at 11.00 am on second call at the Company registered office in Trento – via Paradisi 1, to resolve upon the following

Agenda

- 1) Financial Statements as at 31 December 2025; report on operations by the Board of Directors and Independent Auditors report; report by the Board of Statutory Auditors; related and following resolutions.
- 2) Internal policies regarding controls on risk activities and conflicts of interest with regard to related parties.
- 3) Compliance with "Remuneration policies".
- 4) Disclosure regarding the self-assessment process of the Board of Directors.

Pursuant to Article 9 of the Company By-laws, Shareholders have the right to attend the General Meetings and have the right to vote if, at least five days prior to the date on which the meeting is held, they lodged shares with the Company or affiliated Banks or, with reference to Public Entities, with their respective Treasurers. Holders of shares on which an uninterrupted series of endorsements appear also have the right to attend the General Meetings provided they lodged shares as specified above.

The Shareholders' Meeting will be held in person also with the possibility of participating remotely via audio-video link based on the provisions of Article 9 of the By-laws. The connection methods will be communicated through a specific disclosure.

The Chair
Stefano Mengoni

REPORT ON OPERATIONS

GENERAL ECONOMIC OVERVIEW

Italian, European and international economic situation

Throughout 2025, the **global economy** continued on a path of moderate growth, characterised by a still uneven performance across the major economic regions. According to the Bank of Italy's estimates, world trade grew by just over 3%², a rate that remains in line with global GDP growth and reflects, on the one hand, the recovery in certain sectors of trade and, on the other, ongoing geopolitical tensions. In fact, the international environment remains influenced by a high degree of uncertainty regarding the evolution of conflicts in certain strategic regions, as well as by a continually evolving US trade policy framework, which contributes to heightened volatility in business and investor expectations.

In the Euro area, following a strong first quarter largely supported by the front-loading of exports to the United States, economic activity showed a gradual slowdown between spring and summer. Overall, Eurosystem projections indicate GDP growth for 2025 of between 1% and 1.4%³, accompanied by average inflation close to 2%, broadly in line with the price stability objective. The services sector remained relatively more resilient than manufacturing, which continues to be affected by weak international demand and significant uncertainty surrounding trade tariffs. Underlying inflationary pressures, while still present in some sectors, have shown a gradual easing.

On the monetary policy front, the European Central Bank continued the easing cycle initiated in the second half of 2024. The deposit rate was reduced by 25 basis points in both January and June 2025, measures which helped improve financing conditions for businesses and households, albeit within a context still marked by caution and careful assessment of macroeconomic risks.

The **Italian economy** also felt the effects of the Euro area's cyclical weakness in the early part of the year. Growth remained modest and was driven mainly by household consumption, supported by favourable purchasing power trends, and by public investment linked to the implementation of the NRRP, particularly significant in infrastructure and in the digital and environmental transition. Manufacturing, still penalised by weak international demand, and the residential sector, constrained by less favourable market conditions, continued to show signs of weakness. According to official estimates, Italian GDP grew by around 0.5-0.6% in 2025, confirming a moderate but positive expansion. The contribution of net external demand remained overall limited, at times negative, due to the slowdown in global trade and uncertainty generated by tariff policies.

In the labour market, employment continued to grow, albeit at a more moderate pace than in previous years. There was a slight reduction in hours worked per employee and continued significant use of wage supplementation schemes in certain manufacturing sectors more exposed to the international cycle. Wage dynamics were generally favourable and supported household purchasing power. The unemployment rate averaged between 6% and 6.5% over the year, remaining at historically low levels.

Inflation in Italy maintained a moderate profile: the consumer price index increased on average by 1.5-1.7%, partly supported by services and influenced by relatively stable energy prices. Core inflation showed a gradual return to levels consistent with a normalising environment. For 2026, price dynamics are expected to remain contained; however, 2027 could see a slight increase in inflation following the introduction of the new European emissions system (ETS2), which may entail additional costs for certain energy-intensive companies and sectors subject to new environmental obligations.

The credit market

In 2025, the Italian corporate credit market showed signs of gradual improvement following the marked weakness recorded in 2024. The reduction in official rates by the ECB and the simultaneous decline in bank lending rates on new loans helped ease the average cost of financing. Nevertheless, corporate demand for

² Bank of Italy, Economic Bulletin no. 1/2026.

³ ECB, Eurosystem macroeconomic projections, December 2025.

credit recovered only gradually, still affected by uncertainty linked to developments in the international environment and trade policies.

Large companies continued to benefit from more favourable financial conditions and relatively easy, diversified access to capital markets. For small and medium-sized enterprises, however, access to bank credit remained more selective and was often supported by public guarantees, which continued to play an important role in mitigating perceived risk within the banking system. Banks, for their part, maintained a prudent approach in assessing counterparties, favouring companies with solid balance sheets, sectors less exposed to trade tensions, and projects aligned with the digital and environmental transition.

Monetary easing began to translate, particularly in the second half of the year, into a more visible improvement in credit conditions and a recovery in lending volumes. This recovery was especially pronounced in sectors involved in NRRP-related projects, sustainability initiatives and the digitalisation of production chains. By contrast, credit to the residential sector remained weak, reflecting still-cautious demand and uncertainties related to property price trends.

In 2026, despite a generally more stable macroeconomic environment, there are no clear signs of a strengthening in corporate credit demand⁴. Downside risks persist, linked both to potential developments in international trade policies and to the likelihood of a deterioration in credit quality in certain specific sectors more exposed to global tensions or ongoing structural changes⁵.

4 Source: ECB, Bank Lending Survey, January 2026

5 ECB, Eurosystem macroeconomic projections, December 2025.

THE BANK IN 2025

In 2025, Mediocredito recorded growth in lending volumes, despite a reduction in credit approvals compared with 2024, a year that had particularly benefited from non-recurring transactions financed through the "Friturismo" tourism funds of the NRRP, largely taken up by the tourism and hospitality sector in South Tyrol. More specifically, total credit facilities granted amounted to €323m, compared with €375m in 2024, alongside a reduction in the number of transactions approved (300 versus 348 in the previous year). The average approved amount remained broadly stable at around €1.078m, confirming the Bank's rigorous policy of risk selection and diversification.

New lending disbursed totalled approximately €290m, marking an increase of 12% compared with 2024. This growth is mainly attributable to the development of the aforementioned credit lines under European recovery and resilience programmes in the tourism and hospitality sector — originated in 2024 — as well as increased activity in the renewable energy and transport sectors.

Overall spread dynamics remained broadly stable compared with the previous two years, reflecting the strong negotiating capacity of the commercial teams, despite intense competition in the corporate segment from both national and local banks.

With respect to the commercial lending processes, the direct channel is confirmed as the primary means of customer acquisition, with a further significant strengthening trend.

Against this backdrop, the total stock of performing loans showed an initial sign of reversal, increasing by 0.8% compared with 2024, net of early repayments, which had weighed on outstanding balances.

The impaired loan portfolio declined further, by €4m in gross terms and approximately €3m in net terms, falling to a marginal incidence of 1.7% of total gross loans and 0.9% of total net loans. Coverage of this portfolio strengthened to around 50% (45% in December 2024; 51% in December 2023), mainly due to a more stringent and prudent impairment process, which also incorporates the guidelines recently introduced by the ECB concerning the coverage of impaired exposures held by less significant institutions.

The year just ended was also distinguished by a net flow moving from impaired loans to performing loans, for approximately €1.5m, helping to accelerate the process of reducing problem exposures, which has been ongoing for years, in combination with significant internal recovery and assigning value to disputed exposures. Overdue impaired exposures remained at very low levels.

On the liabilities side, the Bank broadly met its 2025 funding plan by maintaining its funding mix, thereby stabilising its liability structure and related liquidity indicators. Funding requirements were met mainly through retail customer deposits of €311m (of which €305m through "Conto Rifugio" and €6m via the Raisin platform in the German and Austrian markets), corporate deposits of €138m, €17m in deposits from Raiffeisen banks — against which €30m in bonds were repaid during the year — and drawings from Cassa Depositi e Prestiti amounting to a further €25m.

The Bank's overall treasury management generated an average positive cash balance of approximately €107m (€129m in 2024), further strengthening liquidity buffers, also supported by significant volumes of securities and credit assets eligible as collateral for Central Bank refinancing. The encumbrance ratio averaged around 6% during the year, and the Bank consistently maintained short-term and structural liquidity indicators, as required by supervisory regulations, at safe levels.

From an income perspective, despite early signs of widening lending spreads but within an environment of declining average interest rates, net interest income fell by around 6% compared with 2024, reaching €15.5m. Operating margin, supported by higher dividend income from equity investments but affected by weaker net commission income, limited the decline to around 5%. Meanwhile, net interest and other banking income, benefiting from a reduced impact of losses on the partial disposal of the securities portfolio (approximately €3m, compared with €4m in 2024), decreased by just 1% to €18.6m.

After operating costs — amounting to approximately €12.9m (-3.2%), mainly due to lower expenses related to the banking IT system — gross operating profit increased by 4% compared with the previous year, reaching €5.7m. The cost-to-income ratio stood at 69.5%, down from 71% at the end of 2024; excluding the extraordinary effect of losses on securities, it would have been 59.7%.

Pre-tax profit also showed a partial recovery compared with the previous year, supported by net write-backs of approximately €2.5m. In this context, it is worth noting that coverage of performing loans decreased slightly to 1.3% (from 1.6% in 2024), while remaining above the average observed in the Italian banking sector. Net profit benefited from a lower tax burden — linked to the taxation of part of the dividends received — and reached slightly higher levels than in 2024 (+1.7%).

From a capital perspective, the Bank remains particularly strong, with Tier 1 and Total Capital Ratio exceeding 27%, and the Texas Ratio declining further to 11.7%, compared with 13.2% in December 2024.

From an operational and organisational standpoint, 2025 was marked by the completion of the remediation plan arising from the indications of the Bank of Italy following its inspection at the end of 2023, including a significant strengthening of the organisation function and second-level control functions (Risk Management and Compliance/Anti-Money Laundering), also supported by specialised advisory services. In the second half of the year, the Bank also launched a project to expand services for retail customers, including the development of an online current account for consumers and the start of works for the new Bolzano headquarters, which will include an advisory point for this customer segment; both initiatives are expected to be launched in 2026.

In addition, the Bank continued the process for obtaining Gender Equality Certification as part of the broader projects linked to the development of the ESG initiatives.

BUSINESS REVIEW

LENDING OPERATIONS

Outline of lending operations (thousands of €)

Surveyed activities		2025	2024	% Chg.
credit granted	number	300	348	-13.8
	amount	323,169	375,485	-13.9
credit disbursed	amount	289,827	257,830	+12.4

	31 Dec 2025	31 Dec 2024	% Chg.
net loans and advances to customers⁶	992,430	987,671	+0.5
<i>impaired</i>	8,630	11,855	-27.2
<i>performing</i>	983,801	975,815	+0.8

Credit granted

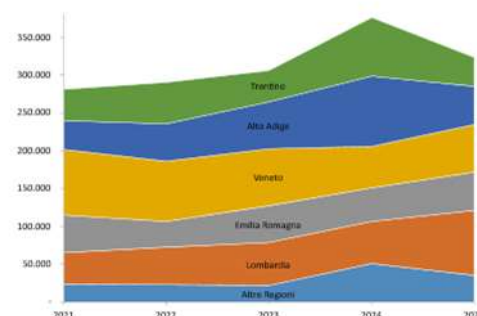
Credit granted in 2025 recorded a decrease, standing, in terms of volumes, at €323m (-13.9% compared to 2024). The number of approvals decreased proportionally, falling from 348 to 300 loans granted. As a result of this trend, the average approved amount remained broadly stable at around €1.08m.

At product level, the "capital goods lease" line — including vehicle lease — recorded growth, with approvals amounting to €44m across 102 transactions (compared with €31m across 98 transactions in 2024), representing 14% of total volumes (up from 8% in 2024).

From a geographical standpoint, Lombardy accounted for 26.6% of total lending, showing a significant increase in approvals (+54.1%). Other regions captured shares ranging between 10% and 20%, while Trentino – South Tyrol accounted for approximately 27%, recording an overall decline of 48% compared with 2024, which had instead benefited from substantial lending under the "FriTurismo" lines.

Breakdown of credit granted by area (thousands of €)

	2025	%	2024	%	Chg.	% Chg.
Trentino	38,590	11.9	77,090	20.5	-38,499	-49.9
South Tyrol	50,319	15.6	99,928	24.7	-42,609	-45.9
Veneto	63,523	19.7	54,595	14.5	+8,929	+16.4
Emilia Romagna	50,106	15.5	44,856	11.9	+5,250	+11.7
Lombardy	86,064	26.6	55,839	14.9	+30,224	+54.1
Other Regions	34,567	10.7	50,177	13.4	+15,611	-31.1
Total	323,169	100.0	375,485	100.0	-52,315	-13.9



At sector level, the decline mainly affected non-financial corporations (-15.9%), which represent the Bank's core area of activity. Within this segment, trends were highly heterogeneous: while manufacturing remained broadly stable, there was strong growth in lending to the energy sector (+145.1%) and agriculture (+144.9%). By contrast, there were marked contractions in other services (-58.0%), transport (-56.6%), building industry (-37.1%) and market services (-28.3%). Real estate activities also continued to decline significantly (-75.2%). Loans to public entities, households and other operators increased, driven by financing related to public-private partnership projects, while lending to financial corporations and banks decreased.

⁶ The data include receivables for cash reserves relating to securitisations and/or self-securitisations that did not pass the SPPI test and that, therefore, are shown under item 20.c of the financial statement assets (€0.1m in 2025 and in 2024).

Breakdown of credit granted by counterparty and economic sector (thousands of €)

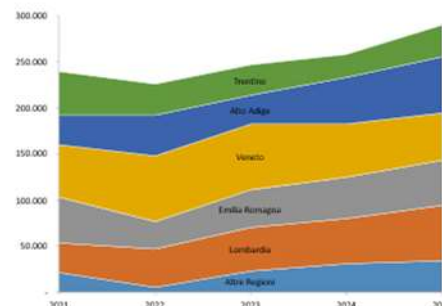
	2025	%	2024	%	Chg.	% Chg.
Non-financial corporations	299,781	92.8	356,301	94.9	-56,520	-15.9
Manufacturing	90,709	28.1	90,423	24.1	+286	+0.3
Energy	69,325	21.5	28,283	7.5	+41,042	+145.1
Hospitality	31,543	9.8	37,983	10.1	-6,440	-17.0
Market services	30,713	9.5	42,811	11.4	-12,098	-28.3
Other services	24,369	7.5	57,962	15.4	-33,593	-58.0
Transport services	19,038	5.9	43,823	11.7	-24,785	-56.6
Building industry	17,475	5.4	27,790	7.4	-10,315	-37.1
Agriculture	10,966	3.4	4,478	1.2	+6,448	+144.9
Real Estate	5,643	1.7	22,748	6.1	-17,105	-75.2
Public entities, households and other operators	16,389	5.1	4,807	1.3	+11,582	+240.9
Financial corporations and banks	7,000	2.2	14,377	3.8	-7,377	-51.3
Total	323,169	100.0	375,485	100.0	-52,315	-13.9

Credit disbursed

In 2025, there was an increase in disbursements (+€32m, +12.4%), which brings the total amount of credit disbursed to €298.8m. From a geographical perspective, significant performances were recorded in Trentino and South Tyrol (overall +€19.3m) and Lombardy (+€11.1m), followed by more moderate increases in Emilia-Romagna (+€4.5m) and in other regions (+€3.2m). By contrast, the Veneto area experienced a decline (-€6.1m).

Breakdown of credit disbursed by area (thousands of €)

	2025	%	2024	%	Chg.	% Chg.
Trentino	34,433	11.9	25,021	9.7	+9,412	+37.6
South Tyrol	60,370	20.8	50,436	19.6	+9,933	+19.7
Veneto	51,497	17.8	57,669	22.4	-6,172	-10.7
Emilia Romagna	49,000	16.9	44,454	17.2	+4,546	+10.2
Lombardy	60,490	20.9	49,370	19.1	+11,120	+22.5
Other Regions	34,037	11.7	30,880	12.0	+3,158	+10.2
Total	289,827	100.0	257,830	100.0	+31,997	+12.4



With regard to credit disbursed by counterparty and economic sector, non-financial corporations confirmed their predominant role, accounting for 93.4% of the total and recording an increase of 13.7% compared with 2024. Within this segment, lending flows showed differentiated trends: strong growth was recorded in energy (+120.8%), hospitality (+85.3%), transport (+170.4%) and agriculture (+160.7%), while the manufacturing sector posted more moderate growth (+5.2%). By contrast, declines were observed in market services (-6.5%), building industry (-15.3%) and real estate activities (-63.1%). Lending to financial corporations and banks, as well as to public entities, households and other operators, remained broadly stable.

Breakdown of credit disbursed by counterparty and economic sector (thousands of €)

	2025	%	2024	%	Chg.	% Chg.
Non-financial corporations	270,782	93.4	238,128	92.4	+32,653	+13.7
Manufacturing	85,932	26.9	81,694	31.7	+4,238	+5.2
Energy	39,850	13.7	18,051	7.0	+21,799	+120.8
Hospitality	36,030	12.4	19,445	7.5	+16,585	+85.3
Market services	34,121	11.8	36,495	14.2	-2,374	-6.5
Other services	24,995	8.6	39,756	15.4	-14,761	-37.1
Transport services	18,458	6.4	6,827	2.6	+11,631	+170.4
Building industry	15,494	5.3	18,285	7.1	-2,791	-15.3
Agriculture	10,966	3.8	4,206	1.6	+6,760	+160.7
Real Estate	4,936	1.7	13,369	5.2	-8,433	-63.1
Public entities, households and other operators	9,402	3.2	10,027	3.9	-626	-6.2
Financial corporations and banks	9,644	3.3	9,675	3.8	-31	-0.3
Total	289,827	100.0	257,830	100.0	+31,997	+12.4
Purchase of tax credits	-		4,184			
Total disbursements	289,827		262,014		+27,813	+10.6

Minibonds

In 2025, there was an increase in the subscription of minibonds issued by companies compared with the previous year (from €13.2m in 2024 to €24.7m in 2025). This activity involved 10 bond issues (up from 8 in 2024); notably, for 4 of these transactions the Bank also acted as arranger.

Performing loans and advances⁷

Typical performing loans and advances to customers remained substantially stable (+0.5%) compared to 2024, just below €1b. Significant decreases were recorded in Veneto (-€16.2m, -6.3%), and to a lesser extent in Lombardy (-€3.8m, -2.2%) and Trentino (-€2.3m, -1.3%). By contrast, notable increases were observed in South Tyrol (+€16.5m, +9.5%) and in other regions (+€10.8m, +12.3%). The position in Emilia-Romagna remained broadly unchanged.

Breakdown of typical gross performing loans and advances by area (thousands of €)

	31 Dec 2025	%	31 Dec 2024	%	Chg.	% Chg.
Trentino	171,817	17.2	174,125	17.6	-2,308	-1.3
South Tyrol	190,297	19.1	173,828	17.5	+16,468	+9.5
Veneto	242,324	24.3	258,492	26.1	-16,168	-6.3
Emilia Romagna	124,025	12.4	123,706	12.5	+319	+0.3
Lombardy	170,191	17.1	173,981	17.5	-3,791	-2.2
Other Regions	98,471	9.9	87,648	8.8	+10,823	+12.3
Total typical loans and advances	997,125	100.0	991,780	100.0	+5,344	+0.5
<i>Loans and advances from SPV securitisations</i>	<i>111</i>		<i>141</i>		<i>-30</i>	<i>-21.5</i>
Total performing loans and advances	997,235		991,921		+5,314	+0.5

Overall, 36.3% of the performing loans portfolio is still allocated to customers in Trentino-South Tyrol (it was 35.1% as at 31 December 2024).

Typical performing loans and advances by counterparty and economic sector (thousands of €)

	31 Dec 2025	%	31 Dec 2024	%	Chg.	% Chg.
Non-financial corporations	914,856	91.7	914,591	92.2	+264	+0.0
Manufacturing	314,614	31.6	330,071	33.3	-15,458	-4.7
Energy	113,829	11.4	98,755	10.0	+15,074	+15.3
Market services	100,450	10.1	114,203	11.5	-13,753	-12.0
Other services	96,297	9.7	90,415	9.1	+5,882	+6.5
Hospitality	87,095	8.7	70,880	7.1	+16,215	+22.9
Transport services	67,292	6.7	62,383	6.3	+4,908	+7.9
Real Estate	64,277	6.4	70,979	7.2	-6,702	-9.4
Building industry	43,409	4.4	56,723	5.7	-13,315	-23.5
Agriculture	27,595	2.8	20,182	2.0	+7,413	+36.7
Public entities, households and financial corporations and banks	57,343	5.8	55,436	5.6	+1,907	+3.4
Financial corporations and banks	24,926	2.5	21,753	2.2	+3,173	+14.6
Total	997,125	100.0	991,780	100.0	+5,344	+0.5

With regard to the distribution of typical loans by counterparty and economic sector, the portfolio structure continues to show its traditional concentration in non-financial corporations, which account for 91.7% of the total and remained broadly stable compared with 2024. Within this aggregate, exposures to the manufacturing sector declined slightly (-4.7%), while more pronounced reductions were recorded in building industry (-23.5%), market services (-12.0%) and real estate activities (-9.4%). Conversely, stronger growth was observed in the energy sector (+15.3%), hospitality (+22.9%) and agriculture (+36.7%). Transport services

⁷ Loans and advances shown in the tables relative to overall amounts are shown gross of value adjustments but net of exposures to securitisations.

(+7.9%) and other services (+6.5%) also showed increases. Finally, moderate growth was recorded in lending to public entities, households and other operators, as well as to financial corporations and banks.

Typical performing loans and advances by counterparty and economic sector (no. of customers)

	31 Dec 2025	Average amount	31 Dec 2024	Average amount
Non-financial corporations	1,172	780.6	1,221	749.1
Manufacturing	429	733.4	457	723.4
Market services	144	697.6	157	727.4
Agriculture	132	209.1	137	147.3
Other services	101	953.4	103	877.2
Hospitality	91	957.1	96	738.3
Energy	89	1,279.0	90	1,097.3
Building industry	75	578.8	74	762.3
Real Estate	60	1,071.3	57	1,245.2
Transport services	51	1,319.4	50	1,245.1
Public entities, households and	102	562.2	109	508.6
Financial corporations and	12	2,077.1	12	1,812.7
Total	1,286	775.4	1,342	739.0

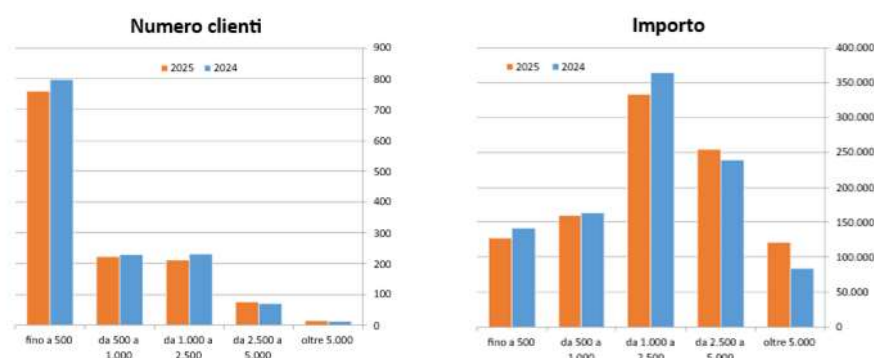
The number of customers continued to decline (-56 customers), confirming the gradual shift in the Bank's focus towards small and medium-sized enterprises and the simultaneous move away from micro-enterprises, which are mainly in the agricultural and household sectors, but also in manufacturing and services. In terms of concentration, the average amount of performing loans was up by €36 thousand compared with the past and, in particular, the following phenomena are highlighted:

- one in three customers belongs to the manufacturing sector;
- among non-financial corporations, the energy, real estate and transport sectors show average amounts exceeding €1m;
- loans to financial corporations, numerically negligible (less than 1% of customers) are characterised by on average greater tranches.

Typical performing loans and advances: breakdown of customers by amount loaned (thousands of €)

	No. of customers	Amount	Customer %	Amount %	Average amount
up to 500	760	128,006	59.1	12.8	168.4
from 500 to 1,000	223	160,017	17.3	16.0	717.6
from 1,000 to 2,500	211	333,057	16.4	33.4	1,578.5
from 2,500 to 5,000	76	254,688	5.9	25.5	3,351.2
above 5,000	16	121,357	1.2	12.2	7,584.8
Total	1,286	997,125	100.0	100.0	775.4

Distribution by loan amount – 2025/2024 comparison by number and amount



In relation to the indices of the performing loans portfolio, worth mentioning are the following events:

- the amount of transactions with borrowers with an overall exposure exceeding €2.5m was equal to 37.7% of the total, up compared to the situation recorded at the end of 2024 (32.6%);

- the percentage to the total loans for the top transaction was up (from 0.8% to 1.2%), as with the percentage for the top 20 transactions (from 10.3% to 12.9%) and for the top 100 transactions (from 31.0% to 34.4%).

Typical gross performing loans and advances: top exposures (thousands of €)

	Dec 2025	%	Dec 2024	%
Top transaction	12,430	1.2	8,017	0.8
Top 20 transactions	128,235	12.9	102,441	10.3
Top 100 transactions	343,448	34.4	307,567	31.0

With regard to the concentration of individual borrowers, the performing loans portfolio shows that:

- the percentage of loans that relate to the top borrower was up (from 0.8% to 1.3%);
- the percentage of loans that refer to the top 20 borrowers increased from 11.9% to 14.1%, while the exposure to the top 100 borrowers increased from 36.5% to 39.7%;
- the percentage of loans referring to the first group increased (1.4% compared with 1.3%), as did the share relating to the top 100 groups (44.3% compared with 40.9%) and the top 20 groups (17.3% compared with 14.8%).

Typical gross performing loans and advances: top customers (thousands of €)

	Dec 2025	%	Dec 2024	%
Top borrower	12,551	1.3	8,017	0.8
Top 20 borrowers	140,946	14.1	117,708	11.9
Top 100 borrowers	395,743	39.7	361,553	36.5

Typical gross performing loans and advances: top groups of borrowers (thousands of €)

	Dec 2025	%	Dec 2024	%
Top group of borrowers	14,076	1.4	13,288	1.3
Top 20 groups of borrowers	172,180	17.3	146,650	14.8
Top 100 groups of borrowers	441,462	44.3	405,813	40.9

The exposure of the top group in 2025 is related to a borrower mainly active in the energy sector, just as for 2024.

Large exposures

With regard to "large exposures", in accordance with current legislation we can report the following situation as at 31 December 2025:

Counterparty	Dec 2025		Dec 2024	
	Nominal	Weighted	Nominal	Weighted
Governments	487,391	274	481,339	-
Bank of Italy	89,478	-	159,913	20,000
Banks	43,420	34,715	-	-
Supranational bodies	-	-	30,165	-
Ordinary customers	-	-	-	-
Total	620,288	34,989	671,417	20,000

Exposures to Governments relate, for €353m, to government securities eligible for refinancing with the European Central Bank and, for €134m, to guarantees granted by the State through the Central Guarantee Fund, and for the rest, to tax credits.

Exposure to banks relates to Cassa Centrale Banca and consists of a correspondent current account of €33m, a deposit held as part of the Mandatory Reserve of €9m, a debt security of €1m and, lastly, an equity investment in the same institution of €50 thousand.

The exposures to the Bank of Italy are represented, for €20m, by an investment in its capital and, for €70m, by overnight deposits.

In 2024, the exposure to supranational bodies related to guarantees granted by the European Investment Fund.

The Bank has no large exposures to ordinary customers.

Performing loans subject to forbearance measures – "Forborne"

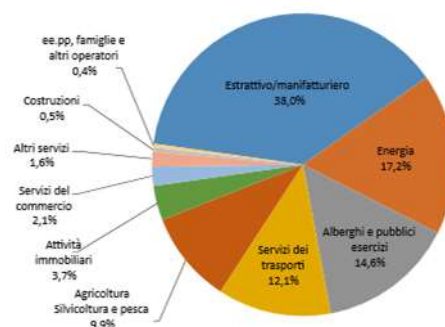
Performing loans subject to forbearance measures amounted to €18.5m, equal to 1.9% of the total, down compared to the 2024 figure (-€2.8m, -13%). They are mainly concentrated in the province of Bolzano (36.4%) and Trento (28.9%).

Performing loans subject to forbearance measures (forborne) by geographical area

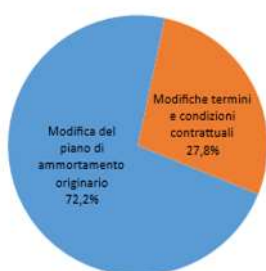


Performing loans subject to forbearance measures (forborne) by counterparty and economic sector

At sector level, 38% of the forbearance measures benefited companies active in the manufacturing sector and 17.2% of companies in the energy sector. To a lesser extent, support was also provided to the hospitality sector (14.6%), transport (12.1%), agriculture (9.9%), real estate (3.7%) and market services (2.1%).



Performing loans subject to forbearance measures (forborne) by type of forbearance measure



Depending on the type of forbearance measure, 72.2% of loans benefited from the change in the original amortisation plan and 27.83% from the amendment to other contractual terms and/or conditions.

Impaired loans

The amount of gross impaired loans is down by 19% with a change, compared to the end of 2024, of €4.1m: in detail, the doubtful portfolio decreased by €235 thousand (-4.4%), unlikely to pay loans decreased by €4.5m (-28.4%), while past due exposures increased by €0.6m.

The following tables show the situation of impaired loans compared with 31 December 2024.

Loans and advances to customers (thousands of €)

Dec 2025	Gross exposure	Overall adjustments	Net exposure	% gross loans	% net loans	% coverage
Impaired loans	17,307	8,677	8,630	1.7	0.9	50.1
- doubtful	5,167	3,305	1,863	0.5	0.2	64.0
- unlikely to pay	11,240	5,134	6,105	1.1	0.6	45.7
- past due	900	238	662	0.1	0.1	26.5
Performing loans⁸	997,235	13,435	983,801	98.3	99.1	1.3
Stage 1	905,476	7,457	898,019	89.2	90.5	0.8
Stage 2	91,760	5,978	85,782	9.0	8.6	6.5
Total loans	1,014,542	22,112	992,430	100.0	100.0	2.2

Dec 2024	Gross exposure	Overall adjustments	Net exposure	% gross loans	% net loans	% coverage
Impaired loans	21,364	9,509	11,855	2.1	1.2	44.5
- doubtful	5,402	2,668	2,735	0.5	0.3	49.4
- unlikely to pay	15,704	6,821	8,884	1.5	0.9	43.4
- past due	257	21	237	0.0	0.0	8.1
Performing loans	991,921	16,106	975,815	97.9	98.8	1.6
Stage 1	836,486	4,743	831,743	82.6	84.2	0.6
Stage 2	155,435	11,363	144,072	15.3	14.6	7.3
Total loans	1,013,286	25,615	987,671	100.0	100.0	2.5

% change 2025/2024	Gross exposure	Overall adjustments	Net exposure
Impaired loans	-19.0	-8.7	-27.2
- doubtful	-4.4	+23.9	-31.9
- unlikely to pay	-28.4	-24.7	-31.3
- past due	+249.6	+1,044.0	+179.6
Performing loans	+0.5	-16.6	+0.8
Stage 1	+8.2	+57.2	+8.0
Stage 2	-41.0	-47.4	-40.5
Total loans	+0.1	-13.7	+0.5

The situation outlined above shows a reduction in the incidence of impaired loans relative to the total loan portfolio, amounting to 1.7% gross (2.1% in 2024) and 0.9% net (1.2% in 2024). The coverage ratio of the impaired portfolio increased to 50.1%, up from 44.5% at the end of 2024, while coverage of performing loans declined (1.3% compared with 1.6% at the end of 2024).

Value adjustments recorded a net write-back of €2.524m, consisting of €188 thousand in net write-backs on the NPL portfolio, €5.385m in net write-backs on the Stage 2 portfolio and €2.707m in net adjustments on the Stage 1 portfolio. These were complemented by €151 thousand in write-backs on the UCITS portfolio, €426 thousand in net adjustments for legal cases and €66 thousand in adjustments relating to the subsidiary Paradisidue.

The reduction in coverage of performing loans is linked to the collective impairment process, which has been developed with a view to the gradual removal of overlays previously applied by the Bank compared with the standard CRIF/Allitude model. In this regard, as at 31 December 2025, the following final measures were implemented, in agreement with the Risk Management function:

- sectors subject to geo-sectoral notching were revised, replacing those previously identified as most affected by the COVID-19 pandemic — and subsequently retained during the crises linked to the Russia-Ukraine and Israel-Palestine conflicts — with those indicated by the Bank of Italy as most impacted by US tariffs;

⁸ The data include receivables for cash reserves relating to securitisations and/or self-securitisations that did not pass the SPPI test and that, therefore, are shown under item 20.c of the financial statement assets (€0.1m in 2025 and €0.1m in 2024).

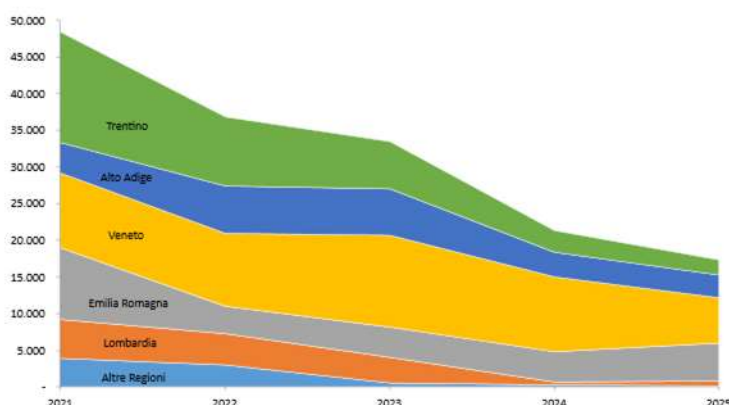
- Danger Rates were updated following a period of post-pandemic stabilisation and changes to the reference statistical sample;
- the gradual alignment of macroeconomic scenario weights with those proposed by the Prometeia scenario provider was completed (50% Baseline, 30% Worst and 20% Best).

These measures resulted in a significant reduction in the stock of Stage 2 loans and an overall recalibration of PDs.

Gross impaired loans by area (thousands of €)

	31 Dec 2025	%	31 Dec 2024	%	Chg.	% Chg.
Trentino	2,028	11.7	2,964	13.9	-936	-31.6
South Tyrol	3,122	18.0	3,343	15.6	-221	-6.6
Veneto	6,224	36.0	10,244	48.0	-4,021	-39.2
Emilia Romagna	5,132	29.7	4,108	19.2	+1,023	+24.9
Lombardy	637	3.7	472	2.2	+165	+34.9
Other Regions	164	0.9	232	1.1	-68	-29.2
Total impaired loans	17,307	100.0	21,364	100.0	-4,057	-19.0

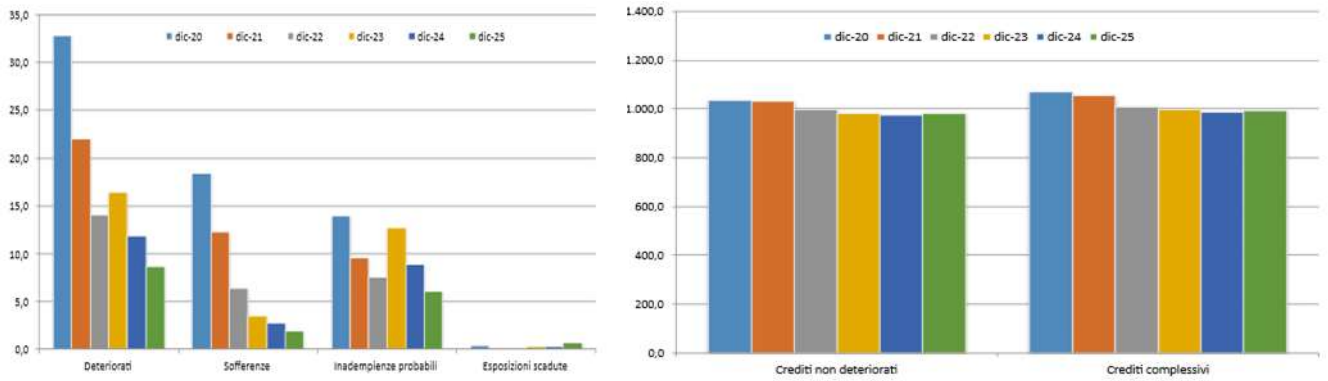
Trend in gross impaired loans by area 2021-2025



Impaired loans by counterparty and economic sector (thousands of €)

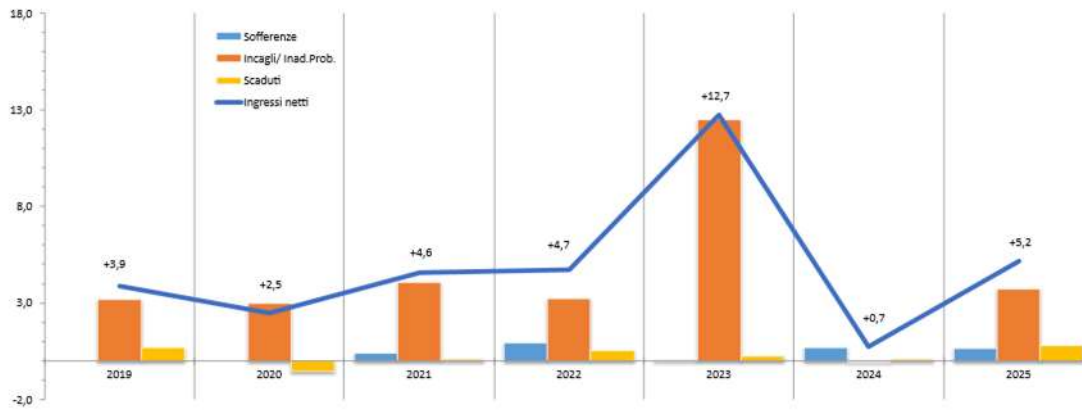
	31 Dec 2025	%	31 Dec 2024	%	Chg.	% Chg.
Non-financial corporations	27,268	99.8	17,169	80.4	+98	+0.6
Manufacturing	6,504	37.6	7,049	33.0	-545	-7.7
Market services	3,424	19.8	2,478	11.6	+946	+38.2
Hospitality	2,362	13.6	2,534	11.9	-172	-6.8
Agriculture	2,204	12.7	2,415	11.3	-210	-8.7
Real Estate	791	4.6	1,258	5.9	-467	-37.1
Energy	701	4.1	202	0.9	+499	+247.1
Other services	700	4.0	699	3.3	+1	+0.1
Transport services	412	2.4	0	0.0	+412	n.s.
Building industry	169	1.0	534	2.5	-365	-68.4
Public entities, households and other operators	39	0.2	202	0.9	-162	-80.4
Financial corporations and banks	-	-	3,993	18.7	-3,993	-
Total	17,307	100.0	21,364	100.0	-4,057	-19.0

Trend in net loans (millions of €)

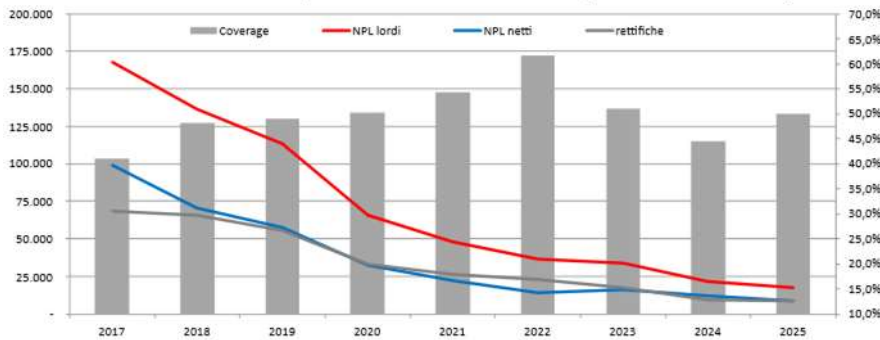


The net flow of new impaired loans shows €3.7m in new unlikely-to-pay exposures, €0.8m in new past-due impaired exposures and €0.6m in new doubtful loans.

Net flow of new impaired loans coming from performing loans (millions of €)



Gross and net NPLs, adjustments and coverage: 2017-2025 performance



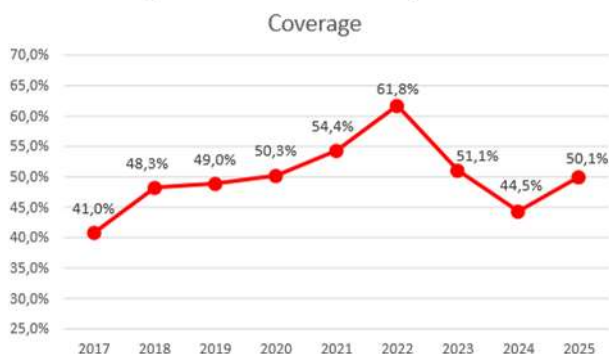
Gross NPL ratio: 2017-2025 performance



Net NPL ratio: 2017-2025 performance



NPL coverage ratio: 2017-2025 performance

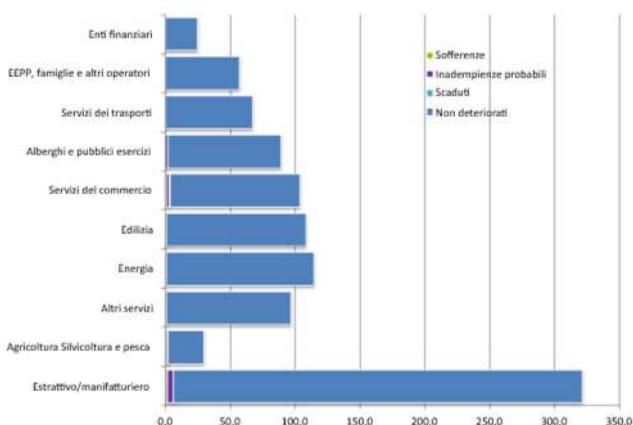


At sector level, the incidence of impaired loans on the overall typical loan portfolio shows a net improvement in the building industry, with 0.4% of impaired loans (in 2020, it was 31.7%), and in loans to companies operating in the real estate sector, with 1.1% of impaired loans (it was 11.3% in 2020). There was also an improvement in the incidence of impaired loans in the agricultural sector, which declined from 10.7% in 2024 to 7.4%, and in the financial sector, where no impaired loans were recorded at the end of 2025.

Gross impaired loans: incidence of each status by counterparty and economic sector (data in %)

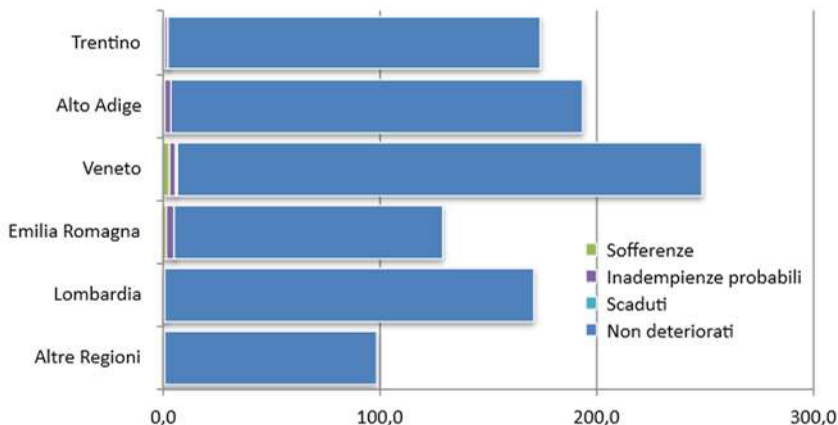
	Doubtful loans	Unlikely to pay	Past due	Total
Non-financial corporations	0.6	1.2	0.1	1.9
Manufacturing	0.6	1.4	0.1	2.0
Market services	0.9	1.9	0.5	3.3
Hospitality	0.1	2.6	0.0	2.6
Agriculture	3.2	3.9	0.3	7.4
Real Estate	1.1	0.1	0.0	1.2
Energy	0.0	0.6	0.0	0.6
Other services	0.0	0.7	0.0	0.7
Transport services	0.6	0.0	0.0	0.6
Building industry	0.4	0.0	0.0	0.4
Public entities, households and other operators	0.0	0.1	0.0	0.1
Financial corporations and banks	0.0	0.0	0.0	0.0

Gross impaired loans: overall incidence by counterparty and economic sector (millions of €)



As regards the geographical distribution, it can be seen that in no area is the incidence of impaired loans significant.

Gross impaired loans: overall incidence by geographical area (millions of €)



Gross impaired loans: incidence of each status by area (data in %)

	Doubtful loans	Unlikely to pay	Past due	Total
Trentino	0.1	1.0	0.1	1.2
South Tyrol	0.2	1.4	0.0	1.6
Veneto	1.1	1.0	0.3	2.5
Emilia Romagna	0.9	3.1	0.0	4.0
Lombardy	0.3	0.1	0.0	0.4
Other Regions	0.0	0.2	0.0	0.2

Doubtful loans

Doubtful loans gross of write-downs amounted to €5.2m, down by €235 thousand in comparison to 2024. The trend is characterised by approximately €1.3m of new doubtful loans, €0.3m of write-offs and €2.8m of collections and disposals.

Trends in gross doubtful loans 2024-2025 (thousands of €)

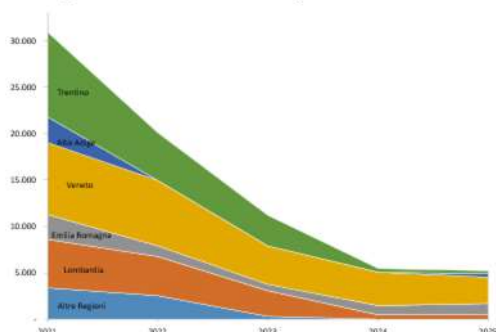


Geographically, doubtful loans declined in Veneto (-€0.8m, -21.3%) and, to a lesser extent, in Trentino (-€74 thousand, -23.1%). By contrast, increases were recorded in South Tyrol — which had no doubtful loans at the end of 2024 — and in Emilia-Romagna (+€0.2m, +19.9%). The highest concentration remains in Veneto (€2.8m), followed by Emilia-Romagna (€1.2m), Lombardy (€0.5m) and Trentino – South Tyrol (€0.7m overall). No doubtful loans were recorded in the Other Regions, consistent with 2024.

Breakdown of gross doubtful loans by area (thousands of €)

	31 Dec 2025	%	31 Dec 2024	%	Chg.	% Chg.
Trentino	248	4.8	322	6.0	-74	-23.1
South Tyrol	412	8.0	-	-	+412	-
Veneto	2,845	55.1	3,615	66.9	-770	-21.3
Emilia Romagna	1,190	23.0	923	18.4	+197	+19.9
Lombardy	472	9.1	472	8.7	-	+0.0
Other Regions	-	-	-	-	-	-
Total	5,167	100.0	5,402	100.0	-235	-4.4

Trends in gross doubtful loans by area 2021-2025



The manufacturing sector, with €1.9m (36.6% of the portfolio), is the top collector of insolvent loans, down compared to 2024 (-€0.3m, -14.3%). A decline was also observed in sectors related to the building industry and real estate (overall -€0.3m, -27.9%) and in the hospitality sector (-€79 thousand, -56.1%). The agricultural sector remained broadly stable, while increases were recorded in market services (+€0.2m, +33.1%) and in transport, which had no doubtful loans in 2024 but recorded €0.4m in 2025.

No doubtful loans were reported in the energy and other services sectors, nor in the segment relating to public entities, households and other operators, or in the financial sector.

Breakdown of gross doubtful loans by counterparty and economic sector (thousands of €)

	31 Dec 2025	%	31 Dec 2024	%	Chg.	% Chg.
Non-financial corporations	5,167	100.0	5,299	98.1	-132	-2.5
Manufacturing	1,891	36.6	2,207	40.9	-316	-14.3
Agriculture	954	18.5	992	18.4	-38	-3.9
Market services	949	18.4	713	13.2	+236	+33.1
Real Estate	739	14.3	+1,082	20.0	-343	-31.7
Transport services	412	8.0	-	-	+412	-
Building industry	160	3.1	164	3.0	-4	-2.4
Hospitality	62	1.2	141	2.6	-79	-56.1
Energy	-	-	-	-	-	-
Other services	-	-	-	-	-	-
Public entities, households and other operators	-	-	103	1.9	-103	-100.0
Financial corporations and banks	-	-	-	-	-	-
Total	5,167	100.0	5,402	100.0	-235	-4.4

Doubtful loans, net of value adjustments, amounted to €1.9m, down €0.9m compared to the figure in December 2024.

The ratio of net doubtful loans to total net loans to customers stood at 0.2%, showing a gradual decrease from 0.3% at the end of the previous financial year. The gross ratio, before value adjustments, remained stable at 0.5%. The coverage ratio of doubtful loans reached 64.0%, increasing compared with 49.4% at the end of 2024.

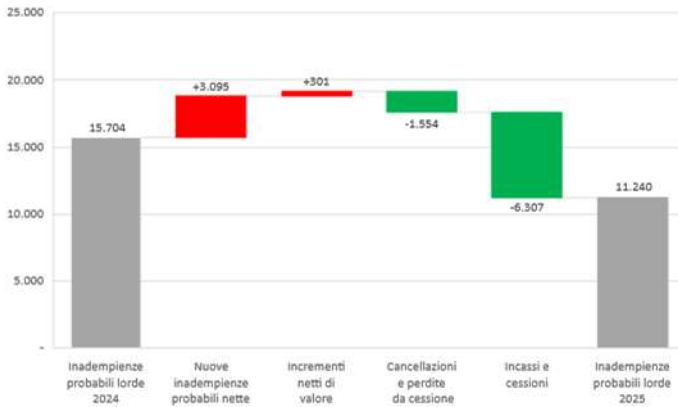
Key ratios relative to doubtful loans

in %	Dec 2025	Dec 2024
Gross doubtful loans / gross loans to customers	0.5	0.5
Gross doubtful loans / own funds	2.4	2.6
Net doubtful loans / net loans to customers	0.2	0.3
Net doubtful loans / own funds	0.9	1.3

Unlikely to pay loans

The unlikely to pay category gross of write-downs amounted to €11.2m, a decrease compared to the end of 2024 (-€4.5m, -28.4%). The trend is characterised by approximately €3.1m in net inflows to unlikely-to-pay exposures, €1.6m in write-offs and €6.3m in collections and disposals.

Trends in gross unlikely to pay loans 2024-2025 (thousands of €)

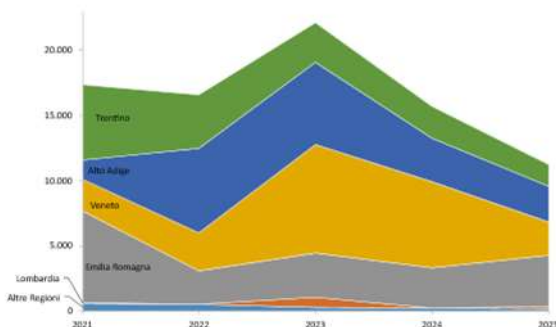


From a geographical perspective, a general decline was observed across all areas, with the exception of Emilia-Romagna, which recorded an increase of 28.8% compared with the previous year, becoming the area with the highest concentration of unlikely-to-pay exposures. The most significant reductions were recorded in Veneto (-€4.1m, -61.2%) and Trentino – South Tyrol (-€1.4m, -24.0%).

Breakdown of gross unlikely to pay loans by area (thousands of €)

	31 Dec 2025	%	31 Dec 2024	%	Chg.	% Chg.
Trentino	1,686	15.0	2,439	15.5	-753	-30.9
South Tyrol	2,710	24.1	3,343	21.3	-633	-18.9
Veneto	2,573	22.9	6,629	42.2	-4,056	-61.2
Emilia Romagna	3,942	35.1	3,061	19.5	+881	+28.8
Lombardy	165	1.5	-	-	+165	-
Other Regions	164	1.5	232	1.5	-68	-29.2
Total	11,240	100.0	15,704	100.0	-4,464	-28.4

Trend in gross unlikely to pay by area 2021-2025



Breakdown of gross unlikely to pay loans by counterparty and economic sector (thousands of €)

	31 Dec 2025	%	31 Dec 2024	%	Chg.	% Chg.
Non-financial corporations	11,200	99.6	11,631	74.1	-431	-3.7
Mining/manufacturing sector	4,339	38.6	4,841	30.8	-502	-10.4
Hospitality	2,300	20.5	2,393	15.2	-93	-3.9
Market services	1,943	17.3	1,658	10.6	+286	+17.3
Agriculture, Forestry and Fishing	1,156	10.3	1,291	8.2	-135	-10.5
Energy	701	6.2	202	1.3	+499	+247.1
Other services	700	6.2	700	4.5	+0	+0.0
Real Estate	52	0.5	176	1.1	-124	-70.4
Building industry	9	0.1	370	2.4	-361	-97.6
Transport services	-	-	-	-	-	-
Public entities, households and other operators	39	0.4	80	0.5	-41	-50.7
Financial corporations and banks	-	-	3,993	25.4	-3,993	-100.0
Total	11,240	100.0	15,704	100.0	-4,464	-28.4

The unlikely to pay category, net of value adjustments, totalled €6.1m, down by 31.3% compared to 31 December 2024. The ratio of net unlikely to pay loans to total net loans to customers was 0.6% compared to 0.9% at the end of the previous period.

Key ratios relative to unlikely to pay loans

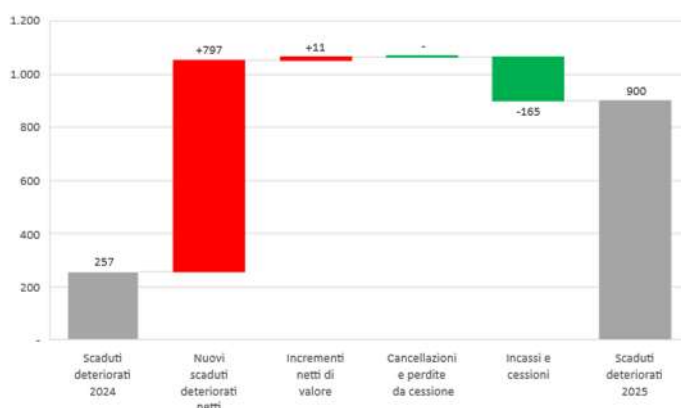
in %	Dec 2025	Dec 2024
gross unlikely to pay / gross loans to customers	1.1	1.5
net unlikely to pay / net loans to customers	0.6	0.9

Past due loans

This item is made up of all cash loans to borrowers (not included in the other categories of impaired loans) whose debts are overdue by more than 90 days according to the criteria established by the Supervisory Authority. These loans, net of value adjustments, amount to €0.7m, with a past-due loans to total net loans ratio of 0.1%.

This category of impaired loans is characterised by approximately €0.8m in net inflows and €0.2m in collections.

Trend of gross past due loans 2024-2025 (thousands of €)



Impaired loans subject to forbearance measures – "Forborne"

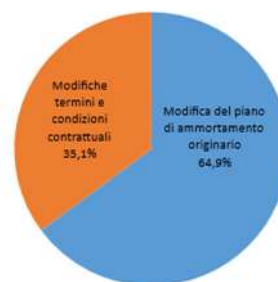
Impaired loans subject to forbearance measures amount to €4.6m, representing 26.7% of the total. Specifically, 25.4% of doubtful loans and 29.4% of unlikely-to-pay exposures benefited from such measures, while no past-due exposures were subject to forbearance at the end of 2025.

Impaired loans subject to forbearance measures (forborne) by status



Impaired loans subject to forbearance measures (forborne) by type of forbearance measure

Depending on the type of forbearance measure, 80.1% of impaired loans benefited from a change in the original amortisation plan while 19.9% benefited from an amendment to other contractual terms/conditions.



EQUITY INVESTMENT ACTIVITIES

Equity Investment

Equity investments, both direct and through holdings in closed-end funds, amounted to approximately €99.2m, an increase of 18.5% (+€15.5m) compared with 31 December 2024, largely due to the positive performance of the market prices of treasury equity investments, which recorded positive changes in fair value, recognised in equity, totalling €11.2m.

With regard to the initiatives implemented during 2025, the following should be noted:

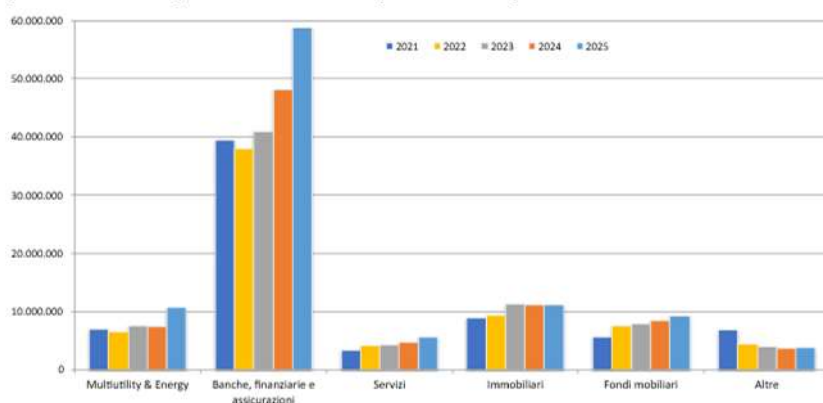
- the Bank's entry into the share capital of Meta Srl with an investment of €71 thousand;
- the increase in the equity investments in ENEL SpA and ENI SpA for €1m each;
- the sale of the equity investment in GIBUS SpA — through participation in the takeover bid promoted by the controlling shareholders — with the realisation of a capital gain, recognised in equity, of €0.3m;
- participation in the public exchange offer on Mediobanca, through which it received shares in Banca MPS worth €4.8m, generating an exchange gain of €4.0m, recognised in equity;
- the sale of the equity investment in ONEOSIX SpA with the realisation of a capital gain of €190 thousand, recognised in equity;
- the acquisition of units in the closed-end fund Nextalia Flexible Capital, with an initial payment of €12 thousand against a total commitment of €1m.

Payments of units in other funds already in the portfolio continued for €585 thousand.

Equity Investments (thousands of €)

	Dec 2025				Dec 2024			
	FVTPL	OCI Option	Equity investments	Total	FVTPL	OCI Option	Equity investments	Total
Investments in UCITS	18,942	-	-	18,942	18,204	-	-	18,204
Institutionals and debt recovery	-	2,785	419	3,204	-	3,128	485	3,613
Other investments	-	12,685	-	12,685	-	12,207	-	12,207
Treasury	-	64,364	-	64,364	-	49,657	-	49,657
Total	18,942	79,834	419	99,195	18,204	64,992	485	83,681
of which: level 1	-	49,730	-	-	-	34,545	-	-

Equity investments by economic sector (millions of €)



Equity investments

Paradisidue S.r.l. – Trento

The real estate company, established in 2003 and wholly owned by the Bank, allows it to participate directly – where appropriate – in judicial auctions of real estate properties as collateral for disputed financing transactions. At the balance sheet date, the company owns four properties at a value that is consistent with the appraisal value and a photovoltaic barrier in Oppeano (VR). In particular, a property was valued in 2014 and the placement on the real estate market of the related real estate portions is at the final stage (with different contractual forms); two properties are leased, while the photovoltaic plant derives from an impaired loan to the Bank. The contribution to income from the latter investment made it possible to partially offset the write-down of a receivable from the GSE.

(thousands of €)

Balance as at	31/12/2024	485.0
Purchases		
Sales/Redemptions		
Gains		
Losses		-66.0
Balance as at	31/12/2025	419.0
Stake held		100.000

Note on investments in UCITS

Closed-end real estate investment fund Finint Fenice

The Fund was set up by Finint Investments SGR of the Finanziaria Internazionale group. The Fenice Fund consists of contributions from banks and leasing companies through the purchase and valuation of buildings already repurchased by banks, buildings under auction or bankruptcy proceedings, as well as impaired loans backed by a mortgage guarantee.

In 2025, the fund recorded a positive change in fair value of €28 thousand.

Balance as at	31/12/2024	9,668.3
Purchases		-
Sales/Redemptions		-
Gains/Losses on disposal		-
Fair value changes		+28.3
Balance as at	31/12/2025	9,696.6

Securities investment fund Industry 4.0 Sicav

This is a Private Equity fund reserved for institutional investors, which aims at investing and enhancing SMEs strongly oriented towards innovation and technological interconnection, considered preparatory elements for the acceleration of business and competitiveness. The fund is aimed at leading companies in the reference market, with a vocation for internationalisation and a strong propensity to digitalise the production chain. The large number of Italian SMEs, in which there is the lowest level of investment compared to the European scenario, constitutes a large audience of opportunities and high potential for development in the frontier technology sector.

During 2025, the Bank paid calls for €111 thousand. The most recent value of the units – determined by the asset management company – generated a positive change in fair value of €40 thousand.

Balance as at	31/12/2024	1,799.2
Purchases		+111.1
Sales/Redemptions		-
Gains/Losses on disposal		-
Fair value changes		+39.6
Balance as at	31/12/2025	1,949.9

Closed-end securities investment fund Assietta Private Equity IV

This is a Private Equity fund reserved for institutional investors, which aims at investing with majority stakes in small and medium Italian enterprises characterised by a good positioning in the reference sector, operating in well-established sectors, with steady cash generation, a defensible competitive positioning and good economic performance.

The fund is managed by Assietta Private Equity SGR.

During 2025, the Bank paid calls for €56 thousand. The most recent unit value of the units, indicated by the asset management company, generated a negative change in fair value of €63 thousand.

Balance as at	31/12/2024	1,025.9
Purchases		+55.6
Sales/Redemptions		-
Gains/Losses on disposal		-
Fair value changes		-62.5
Balance as at	31/12/2025	1,019.0

Closed-end securities investment fund Equita Private Debt II

It is an Italian closed-end alternative investment fund reserved for professional investors that invests in unitary instruments (hybrid product between senior loan and subordinated loan), subordinated loans or even in bonds. To a lesser extent, minority share capital interventions can also be made.

Aimed at medium-sized companies, with stabilised or growing production values, with a good capacity to generate cash flow and a well-defined market position, based mainly in Italy.

It is managed by EQUITA Capital SGR, one of the main independent managers in Italy. During 2025, equalisation repayments made by the fund exceeded the Bank's contributions (resulting in a net repayment of €174 thousand); the most recent value of the units, determined by the asset management company, generated a positive fair value change of €141 thousand.

Balance as at	31/12/2024	910.2
Purchases		-
Sales/Redemptions		-173.6
Gains/Losses on disposal		-
Fair value changes		+141.4
Balance as at	31/12/2025	878.0

Sustainable Securities Fund

This is an Italian closed-end alternative investment fund reserved for professional investors, managed by ACP SGR (Alternative Capital Partner): it is the first Italian thematic reserved private-debt fund dedicated to "green" energy infrastructures, whose projects will be carried out mainly by SMEs, with investments and assets located in Italy, as part of the energy transition in four main investment areas: energy efficiency, distributed generation and sustainable mobility, circular economy and large renewables.

In 2025, the Bank paid the call relating to the one million units subscribed of €425 thousand, whose most recent unit value – determined by the asset management company – generated a negative change in fair value of €4 thousand.

Balance	as	at	391.2
31/12/2024			
Purchases			+424.8
Sales/Redemptions			-
Gains/Losses on disposal			-
Fair value changes			-4.1
Balance	as	at	811.9
31/12/2025			

Ver Capital Sinloc Transition Energy Fund

Italian closed-end alternative investment fund reserved for professional investors that invests in projects related to energy efficiency, renewable energy, public networks and sustainable mobility. The fund, established in 2020, was originally promoted by Ver Capital SGR, a leading firm active since 2006, and in 2025 management was taken over by Sinloc SGR, which had previously acted as advisor. Sinloc is an investment and consultancy firm owned by 10 banking foundations, operating throughout Italy. It has delivered over 800 consultancy projects in Italy and across Europe aimed at developing local infrastructure, which have helped to mobilise over €1b in investment. In 2025, the Bank paid calls for €382 thousand; the most recent value of the units, determined by the asset management company, generated a positive change in fair value of €5 thousand.

Balance	as	at	359.1
31/12/2024			
Purchases			+381.7
Sales/Redemptions			-
Gains/Losses on disposal			-
Fair value changes			+5.2
Balance	as	at	746.0
31/12/2025			

Made in Italy Fund II Sicav

It is a Private Equity fund reserved for professional investors that aims, following up from the Made in Italy Fund I, to continue to invest in companies in typical Italian lifestyle sectors (fashion, beauty, design, food and wine) that represent opportunities of great international growth potential with innovative and productive capabilities. The fund is promoted by Quadrivio Group, which for over 20 years has been one of the leading international players in the alternative investment sector across a range of industries. In 2025, the Bank paid the call, relating to the 1,000 units subscribed to, for €142 thousand; the most recent value of the units, determined by the asset management company, generated a positive change in fair value of €35 thousand.

Balance	as	at	529.6
31/12/2024			
Purchases			+142.4
Sales/Redemptions			-
Gains/Losses on disposal			-
Fair value changes			+35.0
Balance	as	at	707.1
31/12/2025			

Fondo Sviluppo PMI 2

Italian closed-end alternative investment fund reserved for professional investors, which invests in small/medium-sized companies in the Triveneto area – with the specific exclusion of the real estate, financial/insurance and unethical sectors – characterised by growth prospects in terms of markets, products, technologies, by a potential market positioning and which may benefit from governance improvement actions, operational optimisations, and improvement in funding sources.

It is managed by FVS SGR S.p.A., an emanation of the sole shareholder Veneto Sviluppo S.p.A., a financial company of the Veneto Region and well-established in the territory, with a consolidated and active network for the development of the economic excellence of the territory also through private equity initiatives.

During 2025, equalisation repayments made by the fund exceeded the Bank's contributions (resulting in a net repayment of €112 thousand); the most recent value of the units, determined by the asset management company, generated a positive fair value change of €193 thousand.

Balance	as	at	611.3
31/12/2024			
Purchases			-
Sales/Redemptions			-112.0
Gains/Losses on disposal			-
Fair value changes			+192.6
Balance	as	at	691.9
31/12/2025			

Closed-end securities investment fund HAT Technology & Innovation

Italian closed-end alternative investment fund reserved for professional investors who invest in minority equity shareholdings or, in co-investment with other specialised funds, in debt instruments, in leading companies in the reference market, characterised by a significant technological content or a high level of process, product or service innovation, favouring an industrial approach with the aim of strengthening the competitiveness of the Italian industrial system. It is promoted and managed by HAT SGR, activated by subjects of considerable and proven experience. The bank joined the fund in question in 2017 with the subscription of 100 units, increased in 2022 by a further 50 units. During 2025, the equalisation repayments made by the fund exceeded the payments made by the Bank (-€316 thousand net repayment). The most recent unit value of the units, indicated by the asset management company, generated a negative change in fair value of €101 thousand.

Balance	as	at	861.1
31/12/2024			
Purchases			-
Sales/Redemptions			-316.0
Gains/Losses on disposal			-
Fair value changes			-100.9
Balance	as	at	444.1
31/12/2025			

FININT PMI Italia III Fund

Following the results obtained by the PMI Italia II Fund and the performance of the sector, Finint Investments SGR established – in 2023 – a new fund, called PMI Italia III Fund, which has a target size of €250m and Banca Finint is the anchor investor.

The investment target, in line with the previous fund, is represented by debt transactions, also with state guarantees and participatory clauses, to support development projects of export-oriented SMEs and SMCs, with significant growth rates and competitive advantages, which comply with ESG metrics, with a proven history of success and with a rating of no less than B+.

Mediocredito resolved to subscribe for €1m; as at 31 December 2025, five calls had been made on this amount, totalling €213 thousand, and there was a positive fair value change of €11 thousand.

Balance as at 31/12/2024		188.4
Purchases		+212.9
Sales/Redemptions		-
Gains/Losses on disposal		-
Fair value changes		+10.7
Balance as at 31/12/2025		412.0

Nextalia Crediti Opportunities Fund

Italian closed-end alternative investment fund reserved for professional investors that invests in single-name distressed private debt, i.e. focusing on the analysis of the target companies' fundamentals through the selection of those with the greatest potential in terms of company assets and debt service and/or turnaround capacity.

Promoted by Nextalia SGR, a management company founded in 2021, which announced it had completed the final closing, reaching a collection of €330m in November 2023 after only 8 months from the launch.

In 2025, the Bank paid the call relating to the one million units subscribed of €49 thousand, whose most recent unit value – determined by the asset management company – generated a positive change in fair value of €29 thousand.

Balance as at 31/12/2024		287.2
Purchases		+49.1
Sales/Redemptions		-
Gains/Losses on disposal		-
Fair value changes		+28.8
Balance as at 31/12/2025		365.1

Nextalia PE Fund

Italian closed-end alternative investment fund reserved for professional investors investing in equity shares of Italian SMEs, including listed companies, leaders in the reference sector, family-run and requiring generational change, operating in fragmented sectors with buy & build opportunities.

It is promoted by Nextalia SGR, a management company established in 2021. It reached its final closing in June 2022, achieving its target fundraising of €800m.

During 2025, equalisation repayments made by the fund exceeded the Bank's contributions (resulting in a net repayment of €196 thousand); the most recent value of the units, determined by the asset management company, generated a negative fair value change of €62 thousand.

Balance as at 31/12/2024		511.6
Purchases		-
Sales/Redemptions		-195.7
Gains/Losses on disposal		-
Fair value changes		-61.6
Balance as at 31/12/2025		254.3

Progressio Investimenti IV Fund

In December 2022, Progressio SGR SpA established the private equity fund Progressio Investimenti IV, which raised €335m, exceeding its initial target of €300m. In continuation with Fondo III, Fondo IV, which has a target duration of 10 years, invests by acquiring qualified majority or minority shares in Italian SMEs and SMCs with turnover between €30m and €150m, operating in typical Made in Italy resilient, growing markets, which offer buy & build opportunities. Mediocredito resolved to subscribe for €1m. As at 31 December 2025, capital calls amounted to €103 thousand, and the investment recorded a negative fair value change of €12 thousand.

Balance as at 31/12/2024		130.0
Purchases		+102.7
Sales/Redemptions		-
Gains/Losses on disposal		-
Fair value changes		-12.1
Balance as at 31/12/2025		220.6

Closed-end securities investment fund Equita Private Debt III

Equita – considering the positive start of the final phase of the EPD II Fund – launched its third Private Debt Fund. This is also an Italian closed-end alternative investment fund reserved for professional investors that invests in *unitary* instruments (hybrid product between senior loan and subordinated loan), subordinated loans or even in bonds. To a lesser extent, minority share capital interventions can also be made. It is aimed at medium-sized companies, with stabilised or growing production values, with a good capacity to generate cash flow and a well-defined market position, based mainly in Italy. It is managed by EQUITA Capital SGR, one of the main independent managers in Italy.

During 2025, the Bank paid calls related to €1m of units subscribed for €98 thousand, and as at 31 December 2025, it recognised a positive fair value change of €17 thousand.

Balance as at 31/12/2024		78.0
Purchases		+98.0
Sales/Redemptions		-
Gains/Losses on disposal		-
Fair value changes		+17.0
Balance as at 31/12/2025		193.0

Closed-end securities investment fund PMI Italia II

This is an Italian closed-end alternative investment fund reserved for professional investors, which invests in bonds and other secured or unsecured debt instruments and/or equity securities. Investments are dedicated to the sectors of mechanical engineering, manufacturing, infrastructure and transport, food & beverage, travel & leisure, services, pharmaceutical and biomedical industry, automotive excluding start-ups. The aim is to support investments that bolster working capital in the context of business growth and debt sustainability; it is therefore aimed at companies with significant actual and/or projected growth rates and very limited financial exposure. It is managed by FININT SGR, one of the main independent managers in Italy.

During 2025, the equalisation repayments made by the fund exceeded the payments made by the Bank (-€196 thousand net repayment). The most recent unit value of the units, determined by the asset management company, generated a negative change in fair value of €17 thousand.

Balance as at	382.7
31/12/2024	
Purchases	-
Sales/Redemptions	-195.5
Gains/Losses on disposal	-
Fair value changes	-17.1
Balance as at	170.2
31/12/2025	

Closed-end securities fund Nextalia Flexible Capital

Nextalia SGR has launched its fifth fund, named Flexible Capital, based on the results achieved by the funds previously launched by the same asset management company, the opportunities identified in the segment dedicated to Italian SMEs with investment amounts ranging from €30m to €50m, and the interest expressed by investors.

The initiative, to which Mediocredito has contributed €1m, focuses on a segment where funds exclusively focused on Italy are limited in number and often smaller in size, offering a distinctive combination of fund size (large – having already raised €370m out of a maximum of €500m) and investment size (small/mid). During 2025, the Bank paid calls for €12 thousand.

Balance as at	-
31/12/2024	
Purchases	+12.2
Sales/Redemptions	-
Gains/Losses on disposal	-
Fair value changes	-
Balance as at	12.2
31/12/2025	

Closed-end securities investment fund Assietta Private Equity III in liquidation

It is a Private Equity fund reserved for institutional investors that is in the process of being liquidated. The fund is managed by Assietta Private Equity SGR.

The most recent unit value of the units, determined by the asset management company, generated a negative change in fair value of €100 thousand.

Balance as at	100.0
31/12/2024	
Purchases	-
Sales/Redemptions	-
Gains/Losses on disposal	-
Fair value changes	-100.0
Balance as at	-
31/12/2025	

	Clessidra Credit Recovery Fund	Real estate investment fund Leopardi - Milan	Closed-end real estate investment fund Clesio
Balance as at	370.0	-	-
31/12/2024			
Purchases	-	-	-
Sales/Redemptions	-	-0.1	-
Gains/Losses on disposal	-	-	-
Fair value changes	-	+0.1	-
Balance as at	370.0	-	-
31/12/2025			

Notes on other investments in equity securities under the OCI Option

GPI S.p.A. - Trento

The GPI group, which is headed by the Trentino entrepreneur Fausto Manzana, is one of the leading operators in the management of IT systems for healthcare, ranging from administrative software to maintenance up to the management of single booking centres. It is constantly growing and, in order to nourish the plan for future expansion, it entered the Italian Stock Exchange (MTA) through a SPAC (Special Purpose Acquisition Company) vehicle, in which the Bank participated with an investment of €1m, paid during 2016. In 2017, warrants were converted for a capital amount of €285 thousand. For the Bank, joining GPI represents, in addition to supporting an important local reality, an investment opportunity with good profitability prospects in the medium term. In 2022, a share capital increase was subscribed for €1m.

In 2025, there was a positive change in fair value of €1.1m.

Balance as at	2,167.4
31/12/2024	
Purchases	-
Sales/Redemptions	-
Gains/Losses to reserve on disposal	-
Fair value changes	+1,119.8
Balance as at	3,287.2
31/12/2025	
Stake held	0.450%

Enercoop S.r.l. – Trento (TN)

This company is a subsidiary of Fincoop S.p.A. (co-operative financial corporation in Trentino) and was set up in 2009 to purchase and manage a minority shareholding in Dolomiti Energia Holding S.p.A. Dolomiti Energia is currently one of the most important Italian multi-utility companies in relation to its size characterised by a stable business. Enercoop holds a 1.8% stake in Dolomiti Energia Holding S.p.A. for around €11m. Mediocredito purchased a 15% stake of Enercoop S.r.l. for €1.6m. In 2022, the investment was increased by a total value of €40 thousand.

The valuation as at 31 December 2025 does not show fair value changes.

Balance as at 31/12/2024			2,614.6
Purchases			-
Sales/Redemptions			-
Gains/Losses to reserve on disposal			-
Fair value changes			-
Balance as at 31/12/2025			2,614.6
Stake held			15.000%

T5 S.r.l. - Milan

The equity investment in T5 S.r.l., carried out in 2021 in partnership with the Industry 4.0 Fund (of which the Bank is also a unit holder) with a 4.17% share, was established for the acquisition, first of all, of the majority stake in Texbond S.p.A. – a Rovereto company leader in the production of the "non-woven fabric" for different markets in the hygiene/sanitary sector – and, subsequently in December 2021, with synergistic objectives, of the majority interest in Soft NW S.p.A. – a company from Biella operating in the same product sector but in different application areas which, to a greater extent, concern the building industry and agriculture.

The Bank participated in the transaction by investing a total of €1.9m, of which €250 thousand in 2024.

The valuation as at 31 December 2025 does not show fair value changes.

Balance as at 31/12/2024			1,858.8
Purchases			-
Sales/Redemptions			-
Gains/Losses to reserve on disposal			-
Fair value changes			-
Balance as at 31/12/2025			1,858.8
Stake held			4.1700%

Fine Foods & Pharmaceuticals NTM SpA – Zingonia (BG)

The equity investment in the company followed the listing and business combination process of the SPAC Innova Italy 1 in the AIM sector (now Euronext Growth) of the Italian Stock Exchange, activated during 2018. The company produces and develops on behalf of third parties generic drugs, supplements and medical devices in the form of granules, powders and pills and operates in an innovative way in the substitute meals sector. In the medium term, the bank is expected to achieve good profitability, considering its business sector and its management capacity. The year-end listing shows a positive change in fair value of €227 thousand.

Balance as at 31/12/2024			805.6
Purchases			-
Sales/Redemptions			-
Gains/Losses to reserve on disposal			-
Fair value changes			+227.2
Balance as at 31/12/2025			1,032.9
Stake held			0.391%

Dovevivo S.p.A. – Milan (MI)

DoveVivo is a prop-tech company that manages, through a proprietary platform, a wide range of housing solutions (co-living rooms, private studios, student campuses, apartments and villas for short, medium and long-term stays).

It is a leading European operator in the rental market, with more than 150 thousand customers served in 2022 and over 13 thousand housing units under management in 40 destinations in six countries in Europe (Italy, Spain, France, England, Scotland and Portugal).

Since its foundation in 2007, it has completed numerous investments, raising resources of over €100m from leading national and international investors. The significant growth was also achieved through acquisitions, which promoted geographical expansion and coverage of all segments of the residential rental market.

The valuation as at 31 December 2025 does not show fair value changes.

Balance as at 31/12/2024			1,006.5
Purchases			-
Sales/Redemptions			-
Gains/Losses to reserve on disposal			-
Fair value changes			-
Balance as at 31/12/2025			1,006.5
Stake held			0.452%

ISA Wines S.p.A. – Trento (TN)

ISA Wines Srl is a company established by ISA Spa to acquire – through a club deal – an equity investment in F&F Fine Wines International Inc – Miami USA (best known under the Ethicawines brand), founded in 2014.

Ethicawines imports wine from about 50 Italian producers in the USA, with an expected turnover for 2025 of approximately USD 140m and an EBITDA of approximately USD 11m. The purpose of the acquisition is the rationalisation of the corporate structure to allow further development of commercial operations with the entry of new brands and new markets.

The valuation as at 31 December 2025 does not show fair value changes.

Balance as at 31/12/2024			1,000.0
Purchases			-
Sales/Redemptions			-
Gains/Losses to reserve on disposal			-
Fair value changes			-
Balance as at 31/12/2025			1,000.0
Stake held			4.043%

Iniziative Bresciane S.p.A.

The company operates in the renewable energy sector, mainly hydroelectric, with plants located in Lombardy and is listed on the Milan Stock Exchange – Euronext Growth segment. The shareholders include Istituto Atesino di Sviluppo S.p.A., and between 2017 and 2020 the bank subscribed to a stake of approximately €1.1m. The year-end listing shows a negative change in fair value of €176 thousand.

Balance	as	at	
31/12/2024			909.1
Purchases			-
Sales/Redemptions			-
Gains/Losses to reserve on disposal			-
Fair value changes			-175.8
Balance	as	at	
31/12/2025			733.3
Stake held			1.052%

Hotel Lido Palace S.p.A. – Riva del Garda (TN)

The company was established to build a luxury hotel on the well-known tourist destination overlooking Lake Garda encouraging the involvement – alongside the public entity – of private shareholders with proven experience in this sector and adequate financial partners. Mediocredito supported this initiative acting as managing bank in the context of a financial operation and purchased a 4.84% equity investment. Past years were weighed down by the pandemic with the consequent loss of presences and turnover, but it recorded a good recovery in revenues in subsequent years.

The valuation as at 31 December 2025 does not show fair value changes.

Balance	as	at	
31/12/2024			674.0
Purchases			-
Sales/Redemptions			-
Gains/Losses to reserve on disposal			-
Fair value changes			-
Balance	as	at	
31/12/2025			674.0
Stake held			4.840%

Aquafil S.p.A. – Arco (TN)

The investment in Aquafil S.p.a. derives from the listing and Business Combination process of the SPAC Space 3 vehicle in the STAR segment of the Italian Stock Exchange, activated by Space Holding Srl during 2017. The company is one of the main international players in the production and marketing of synthetic fibres used in the textile flooring sectors for the contract and residential markets, as well as the automotive, fashion and sports markets. It is also a pioneer in the regeneration of nylon waste with the Econyl system and the prospects for development and growth are based above all on this type of green product. In the second half of 2024, for the new corporate industrial programs, a share capital increase was launched, in which Mediocredito exercised its pre-emption right for a value of approximately €97 thousand.

The year-end listing shows a negative change in fair value of €9 thousand.

Balance	as	at	
31/12/2024			299.8
Purchases			-
Sales/Redemptions			-
Gains/Losses to reserve on disposal			-
Fair value changes			-9.0
Balance	as	at	
31/12/2025			290.8
Stake held			0.138%

Acustica Trentina Srl (formerly AT Holding Srl) - Trento

Acustica Trentina Srl is a long-established local company operating in the field of medical hearing aids.

In 2022, Mediocredito participated with a 10% stake in the LBO transaction promoted by leading local institutional investors, which took over the entire share capital of Acustica Trentina Srl through the vehicle AT Holding Srl, in which the founding shareholders hold minority interests.

In 2023, the reverse merger of AT Holding Srl into Acustica Trentina Srl was finalised. The purposes of the acquisition concern generational handover aspects and opportunities for future developments and expansions.

The Bank participated in the transaction by investing €165 thousand, to which additional amounts may be added related to the occurrence of the conditions established for the determination of the earn-out.

The valuation as at 31 December 2025 does not show fair value changes.

Balance	as	at	
31/12/2024			165.0
Purchases			-
Sales/Redemptions			-
Gains/Losses to reserve on disposal			-
Fair value changes			-
Balance	as	at	
31/12/2025			165.0
Stake held			10.000%

Jonix S.p.A. – Tribano (PD)

It is an innovative SME and Benefit Company that designs, manufactures and distributes a broad portfolio of 100% Made in Italy products and services for indoor air sanitisation based on NTP (Non-Thermal Plasma) technology capable of attacking and neutralising living microorganisms (viruses, bacteria, spores and moulds) and polluting chemical molecules (VOC: volatile organic compounds, particulate matter). As a result of various circumstances, the company abandoned the stock exchange market.

The valuation as at 31 December 2025 does not show fair value changes.

Balance	as	at	
31/12/2024			22.3
Purchases			-
Sales/Redemptions			-
Gains/Losses to reserve on disposal			-
Fair value changes			-
Balance	as	at	
31/12/2025			22.3
Stake held			0.761%

Gibus S.p.A. – Saccolongo (PD)

Gibus – a leading company at national and European level – operates in the high-end Outdoor Design sector, designing, manufacturing and distributing 100% made in Italy products for Ho.Re.Ca and Residential customers, exporting Italian Lifestyle throughout the world. The partnership agreement signed with IR Top Consulting, Partner Equity Markets of the Italian Stock Exchange for the development of companies in the area in which the Bank operates, in particular through access to risk capital, led to a favourable assessment of the entry into the Gibus SpA's capital in 2019, through participation in the Initial Public Offering (IPO) which allowed the company to be listed on the AIM segment of the Italian Stock Exchange.

In 2025, the equity investment in GIBUS SpA was sold, through participation in the takeover bid launched by the controlling shareholders.

Balance as at 31/12/2024	684.0
Purchases	-
Sales/Redemptions	-835.0
Gains/Losses to reserve on disposal	+333.4
Reversal of valuation reserves	-182.4
Balance as at 31/12/2025	-
Stake held	0.000%

Notes on investments in institutional equity securities or for debt collection purposes under the OCI Option

La Finanziaria Trentina S.p.A. – Trento (TN)

It is an industrial holding established in 2004 by a group of entrepreneurs from Trentino bringing together subjects operating in various sectors in order to converge major investments in a single independent entity. In addition to the main corporate mission, private equity operations have been added to support entrepreneurs who have started processes of growth or generational change. The company's operations are carried out mainly in the energy, industry, infrastructure, real estate and venture capital sectors. The Bank's entry into the ownership structure, made up of leading entrepreneurs and economic representatives of the provincial territory, took place in 2016 and, in the course of 2021, a stake of additional 119,119 shares was acquired at a price of €203 thousand.

At the end of 2025, there were no changes in fair value.

Balance as at 31/12/2024	1,113.8
Purchases	-
Sales/Redemptions	-
Gains/Losses to reserve on disposal	-
Fair value changes	-
Balance as at 31/12/2025	1,113.8
Stake held	1.190%

Istituto Atesino di Sviluppo S.p.A. – Trento (TN)

It is a finance company set up in 1929, which is owned by clerical bodies, operating mainly within the Province of Trento: it invests, mainly by acquiring minority shareholdings, in companies with interesting development potential, with the aim of creating a medium/long-term relationship with the entrepreneur and achieving satisfactory results for the shareholders. The Bank's entry into the company, managed by leading economic representatives of the provincial territory, took place in 2016 with the purchase of a minority stake of 0.5% for a value of approximately €1m.

At the end of 2025, there were no changes in fair value.

Balance as at 31/12/2024	979.7
Purchases	-
Sales/Redemptions	-
Gains/Losses to reserve on disposal	-
Fair value changes	-
Balance as at 31/12/2025	979.9
Stake held	0.503%

	Trento Funivie S.p.A. – Trento	FT Phaos Srl – Trento	Meta S.r.l.	Cassa Centrale Banca S.p.a. – Trento
Balance as at 31/12/2024	381.6	215.0	-	50.2
Purchases	-	-	+71.0	-
Sales/Redemptions	-	-81.7	-	-
Gains/Losses to reserve on disposal	-	-	-	-
Fair value changes	-	-	-	-
Balance as at 31/12/2025	381.6	133.3	71.0	50.2
Stake held	6.104%	5.000%	11.880%	0.004%

	Funivie Madonna di Campiglio S.p.A. – Pinzolo (TN)	Funivie Folgarida Marilleva S.p.A. – Pinzolo (TN)	Federazione Trentina delle Cooperative Scarl - Trento	Allitude S.p.A.
Balance as at 31/12/2024	25.4	23.3	5.1	1.6
Purchases	-	-	-	-
Sales/Redemptions	-	-	-	-
Gains/Losses to reserve on disposal	-	-	-	-
Fair value changes	-	-	-	-
Balance as at 31/12/2025	25.4	23.3	5.1	1.6
Stake held	0.033%	0.027%	0.668%	0.000%

	Trentino Volley S.r.l. Trento	Lineapiù S.p.A. Prato	Oneosix S.p.A. – Verona
Balance as at 31/12/2024	-	-	332.5
Purchases	-	-	-
Sales/Redemptions	-	-	-522.5
Gains/Losses to reserve on disposal	-	-	+190.0
Fair value changes	-	-	-
Balance as at 31/12/2025	-	-	-
Stake held	7.000%	1.668%	0.000%

The equity investments in Funivie Madonna di Campiglio S.p.A., Funivie Folgarida Marilleva S.p.A., Lineapiù S.p.A. and Real estate investment fund Leopardi derive from the restructuring of impaired loans.

Summary of investments in treasury equity securities under the OCI Option

	Bank of Italy	Intesa San Paolo	Generali	Banca MPS
Balance as at 31/12/2024	20,000.0	10,979.7	9,573.3	-
Purchases	-	-	-	+4,766.1
Sales/Redemptions	-	-	-	-
Gains/Losses to reserve on disposal	-	-	-	-
Fair value changes	-	+5,836.5	+2,967.6	+535.8
Balance as at 31/12/2025	20,000.0	16,816.2	12,540.9	5,301.9

	ENI	Enel	A2A	Poste Italiane
Balance as at 31/12/2024	1,878.8	1,204.1	1,769.5	1,008.1
Purchases	+995.1	+999.8	-	-
Sales/Redemptions	-	-	-	-
Gains/Losses to reserve on disposal	-	-	-	-
Fair value changes	+698.1	+437.4	+133.2	+580.8
Balance as at 31/12/2025	3,572.0	2,641.3	1,902.7	1,588.9

	Mediobanca
Balance as at 31/12/2024	3,243.2
Purchases	-
Sales/Redemptions	-4,973.1
Gains/Losses to reserve on disposal	+3,951.7
Reversal of valuation reserves	-2,221.8
Balance as at 31/12/2025	-

SECURITIES PORTFOLIO

At the end of the year, the securities portfolio consisted mainly of Italian government securities, as shown below:

Amounts of portfolio of debt securities (thousands of €)

Issuer	2025			2024		
	Nominal Value	Amortised cost	Fair Value	Nominal Value	Amortised cost	Fair Value
Hold to Collect Business model	170,000	173,000	170,025	189,000	193,308	184,049
Governments	165,000	167,815	164,747	186,000	190,127	180,685
Banks	5,000	5,185	5,279	3,000	3,181	3,364
Hold to Collect & Sell Business model	155,000	158,225	160,863	98,500	101,004	99,912
Governments	155,000	158,225	160,863	98,500	101,004	99,912
Banks	-	-	-	-	-	-
Total	325,000	331,225	330,889	287,500	294,312	283,961

The bonds issued by banks have a residual average life of 2.6 years while government securities (Italian State bonds) have a residual average life of 6.9 years. A portion of 26% of the portfolio is represented by fixed rate securities and 74% by floating rate securities.

Allocation of securities portfolio by interest rate type



Amounts of portfolio of mandatory FVTPL securities (thousands of €)

Issuer	2025		2024	
	Nominal Value	Fair Value	Nominal Value	Fair Value
Mandatory FVTPL Business model	3,991	3,772	3,991	3,847
Insurance policies	1,500	1,395	1,500	1,385
SPV	2,491	2,376	2,491	2,463
Total	3,991	3,772	3,991	3,847

The bonds shown in the table are mandatorily classified in the FVTPL portfolio as they have not passed the SPPI test required by IFRS 9 for classification in the HTC and HTCS business models; they are securities issued by an insurance company, with tranches (mezzanine and junior) issued by an SPV as part of an NPL sale transaction in which the Bank participated as transferor at the end of 2021, and securities issued by an SPV as part of securitisation transactions in which the Bank acted as a subscriber only.

HEDGING TRANSACTIONS AND DERIVATIVES

Cap options

The Bank is active in offering cap options to its customers as a hedge for loans granted by the Bank itself, particularly in the project finance sector, where the sustainability of debt costs is closely linked to project cash flows and, consequently, interest rate risk mitigation is especially important.

At the same time as selling individual contracts, the Bank entered into matching cap options as a back-to-back hedge to offset the risks embedded in the transactions.

During the financial year, 22 new contracts were entered into (11 sold to customers and 11 back-to-back contracts purchased from correspondent banks).

The table below compares overall position as at 31 December 2025 with 2024.

Financial derivatives – cap options (in thousands of €)

	NEW CONTRACTS		OVERALL NOMINAL AMOUNTS	
	2025	2024	Dec 25	Dec 24
- sales (customers)	15,352	7,307	43,357	40,175
- purchases (banks)	15,352	7,307	43,357	40,175
TOTAL	30,704	14,614	86,713	80,350

BORROWING OPERATIONS AND TREASURY MANAGEMENT

Funding flows in 2025 consisted of €311m in positive inflows to retail customer deposits, of which €255m were term deposits and €56m were sight deposits, and €171m in positive inflows to corporate deposits. During the year, the Bank also raised new medium-term deposits from the Raiffeisen banks amounting to €19m, as well as new drawdowns of €10m from the EIB and €15m from CDP. At year-end, treasury liquidity was prudently strengthened through short-term Central Bank refinancing of €70m.

Flows of funds (thousands of €)

TYPE	2025		FLOWS		
	2025	%	2024	%	% Chg.
BONDS	-	0.0	-	0.0	-
FUNDS FROM BANKS	99,010	16.6	17,000	2.7	+482.4
- EIB funds	10,010	1.7	-	0.0	-
- ECB funds	70,000	11.7	-	0.0	-
- medium/long-term deposits and loans	19,000	3.2	17,000	2.7	+11.8
- current accounts and short-term deposits	-	0.0	-	0.0	-
FUNDS FROM CUSTOMERS	497,616	83.4	622,583	97.3	-20.1
- CDP funds	15,000	2.5	17,000	2.7	-11.8
- funds from third parties	-	0.0	-	0.0	-
- retail deposits ¹	311,172	52.2	419,952	65.7	-25.9
- corporate deposits	171,443	28.7	185,631	29.0	-7.6
TOTAL	596,626	100.0	639,583	100.0	-6.7

¹ The amount includes €304.8m relating to the Conto Rifugio online account (€308.9m in 2024) and €6.4m from the Raisin platform (€111.0m in 2024).

In terms of overall amounts, bond funding recorded a significant decline (-65.7%), mainly due to the repayment of loans totalling €30m to the Raiffeisen banking system. Direct funding from customers also showed a slight decrease (-3.2%). By contrast, interbank funding increased (+72.2%), following very short-term refinancing from the Central Bank amounting to €70m. Total borrowing operations amount to €1,329m (-0.9%).

Overall amounts of borrowing operations (in thousands of €)

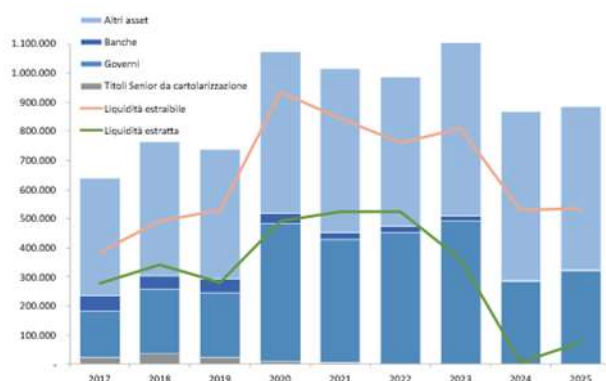
TYPE	Dec 25		OVERALL AMOUNTS		
	Dec 25	%	Dec 24	%	% Chg.
BONDS	21,122	1.6	61,530	4.6	-65.7
FUNDS FROM BANKS	156,148	11.8	90,685	6.8	+72.2
- EIB funds	47,786	3.6	49,389	3.7	-3.2
- ECB funds	70,038	5.3	-	-	-
- medium/long-term deposits and loans	38,252	2.9	38,190	2.9	+0.2
- current accounts and short-term deposits	73	0.0	3,106	0.2	-97.7
FUNDS FROM CUSTOMERS	1,151,301	86.7	1,188,785	88.6	-3.2
- CDP funds	55,795	4.2	55,214	4.1	+1.1
- funds from third parties	8,413	0.6	10,935	0.8	-23.1
- retail deposits ¹	528,730	39.8	546,323	40.7	-3.2
- corporate deposits	558,363	42.0	576,313	43.0	-3.1
TOTAL	1,328,571	100.0	1,341,000	100.0	-0.9

¹ The amount includes €478.7m relating to the Conto Rifugio online account (€415.2m in 2024) and €50m from the Raisin platform (€131.1m in 2024).

With regard to reserves of readily available assets, in the portfolio for an amount of approximately €885m (+€18.1m compared to 31 December 2024), the residual liquid assets available from the ECB and other counterparties as at 31 December 2025 amounted to approximately €460m, of which €213m from collateralised banking assets, with an increase of €5m compared to 2024.

Breakdown of eligible securities (thousands of €)

Issuer	Eligible	Potential liquidity
Governments	320,000	317,764
Banks	5,000	4,212
Total bonds	325,000	321,977
Other collateralised assets	560,005	212,777
Total bonds and other assets	885,005	534,754
Liquidity already drawn		75,000
Residual available liquidity		459,754



PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets relate to functional assets of approximately €10.1m , mainly comprising buildings housing the head office in Trento and the branch offices; in particular, the new premises for the South Tyrol branch were purchased during the financial year for €2.5m. All asset categories are affected by the decrease resulting from the depreciation process.

	Dec 2025	%	Dec 2024	%	% Chg.
Functional assets	10,097	98.9	7,495	98.5	+34.7
- Land and buildings	9,402	92.1	6,791	89.2	+38.4
- Furniture	182	1.8	206	2.7	-11.3
- IT equipment	51	0.5	57	0.7	-9.2
- Other equipment	379	3.7	373	4.9	+1.7
- Vehicles	75	0.7	69	0.9	+8.9
- Software	8	0.1	-	-	-
Investment land	116	1.1	116	1.5	+0.0
Total	10,213	100.0	7,611	100.0	+34.2

Pursuant to IFRS 16 – Leases, the Bank recognises under property, plant and equipment, the value of the right of use relating to lease contracts that fall within the scope of application of the standard. The Bank has identified long-term car hire contracts and property lease agreements relating to the South Tyrol Branch as such; the following table summarises the effects of the above.

	Dec 2025	%	Dec 2024	%	% Chg.
Rights of use	92	100.0	253	100.0	-63.5
- Buildings	22	24.0	188	74.2	-88.2
- Vehicles	70	76.0	65	25.8	+7.6
Total property, plant and equipment and intangible assets	10,305	100.0	7,864	100.0	+31.0

During 2025, the Bank continued to implement some technical and organisational measures in connection with workplace safety regulations with the purpose of minimising the risk of accidents and mitigating environmental risks.

In 2025, the Bank resolved on the adequacy of its operational continuity plan as well as on testing the effectiveness of the Disaster Recovery Plan with the outsourcer of the IT System managed by Allitude S.p.A. within the scope of the procedures and involvement provided for by the supplier for the customer banks who do not belong to the Cassa Centrale Banca group. The result of the test was positive, which means that should the need arise, it would be possible to maintain a sufficient level of business continuity for the Bank, characterised by low average levels of operational risk.

OPERATIONAL STRUCTURE

As at 31 December 2025, the number of employees decreased by 4 units compared to 31 December 2024. There were 83 employees: 71 full-time contracts and 11 part-time contracts.

Situation and movement of employees⁹

	Situation as at 31/12/2024	Resignations	Recruitments	Change of positions	Situation as at 31/12/2025
Managerial staff (Executives)	6	- 1	-	+ 1	6
Managerial staff	39	- 4	-	- 1 + 4	38
Other staff	42	- 3	+ 4	- 4	39
Total	87	- 8	+ 4	-	83

Breakdown by area



Breakdown by age

	Men	Women	Total
≤ 30 years	4	2	6
> 30 years ≤ 45 years	12	9	21
> 45 years ≤ 55 years	10	11	21
> 55 years	22	13	35
Total	48	35	83

Breakdown by length of service

	Men	Women	Total
≤ 5 years	14	11	25
> 5 years ≤ 10 years	2	1	3
> 10 years ≤ 20 years	7	7	14
> 20 years	25	16	41
Total	48	35	83

Gender equality

During 2025, the certification process in accordance with UNI/PdR 125:2022 involved a phase of in-depth analysis of the KPIs set out in the standard, with a view to precisely identifying priority areas for improvement and implementing targeted corrective measures.

This operational phase during the first few months of the year enabled the Bank to focus on consolidating data, reviewing internal processes and evaluating existing initiatives relating to gender equality and organisational wellbeing. The aim was to ensure that the Gender Equality Management System could continue to operate effectively and in line with the required standards.

In the latter part of 2025, the path towards certification resumed and, during this phase, the Bank:

- conducted the survey required by UNI/PdR 125:2022, involving staff in a structured process of listening and gathering feedback useful for assessing the internal working environment and levels of inclusion;
- actively collaborated with the appointed consultancy firm, launching a new cycle of analysis and recalculation of KPIs, with the aim of accurately verifying the progress made and identifying further areas for action.

9 The item "Other staff" includes employees belonging to professional areas.

The Bank continues on its path, aware that the continuous improvement of the most sensitive KPIs and the full implementation of the measures set out in the Management System are fundamental elements for achieving certification in an appropriate and sustainable manner. The activities carried out in 2025 represent a further step towards the objective of obtaining the certification.

Training

A total of 1,858 hours was dedicated to staff training; the following table shows a breakdown of "classroom days":

Area / Services	Planned training		Required training	
	Days	No. of attendees	Days	No. of attendees
General management	0.20	1	2.00	1
Company control functions	8.20	7	12.00	5
Management support staff	27.70	10	5.30	5
Market Area	83.70	24	0.40	1
Credit Area	30.30	8	1.20	1
Organisation Area	20.90	9	11.50	7
Legal Area	8.80	8	1.20	2
Administration and Finance Area	26.20	16	8.40	3
Total	206.00	83	42.00	25

Activities of corporate bodies

The administrative bodies carried out their activities through 14 meetings of the Board of Directors, 5 meetings of the Executive Committee, 7 meetings of the Board of Statutory Auditors and one Ordinary Shareholders' Meeting.

PRINCIPAL TRENDS IN THE FINANCIAL STATEMENTS AND STATE OF AFFAIRS

RECLASSIFIED STATEMENT OF FINANCIAL POSITION (ABRIDGED)

(in thousands of €)

Assets	31/12/2025	31/12/2024	Chg.	% Chg.
CASH AND CASH EQUIVALENTS	102,766	149,414	-46,648	-31.2
DERIVATIVES	1,488	1,279	+209	+16.3
EQUITY SECURITIES	98,776	83,196	+15,580	+18.7
DEBT SECURITIES	338,018	297,067	+40,951	+13.8
LOANS AND ADVANCES TO BANKS	8,705	8,963	-259	-2.9
LOANS AND ADVANCES TO CUSTOMERS	992,048	987,671	+4,377	+0.4
EQUITY INVESTMENTS	419	485	-66	-13.6
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	10,305	7,864	+2,441	+31.0
TAX ASSETS	7,999	8,821	-822	-9.3
OTHER ASSETS	25,041	34,905	-9,864	-28.3
TOTAL ASSETS	1,585,565	1,579,665	+5,900	+0.4
Equity and liabilities	31/12/2025	31/12/2024	Chg.	% Chg.
DUE TO BANKS	156,148	90,685	+65,463	+72.2
DUE TO CUSTOMERS	1,151,301	1,188,785	-37,484	-3.2
DEBT SECURITIES IN ISSUE	21,122	61,530	-40,408	-65.7
FINANCIAL LIABILITIES HELD FOR TRADING	1,434	1,247	+187	+15.0
TAX LIABILITIES	7,491	5,957	+1,534	+25.8
OTHER LIABILITIES	18,017	20,489	-2,472	-12.1
VALUATION RESERVES	29,300	17,260	+12,040	+69.8
CAPITAL AND RESERVES	194,575	187,640	+6,936	+3.7
NET INCOME FOR THE PERIOD	6,176	6,072	+105	+1.7
TOTAL EQUITY AND LIABILITIES	1,585,565	1,579,665	+5,900	+0.4

Each amount reported is rounded: any possible discrepancies are due to rounding.

RECLASSIFIED ABRIDGED INCOME STATEMENT¹⁰

(in thousands of €)

Items	2025	2024	Chg.	% Chg.
NET INTEREST INCOME	15,522	16,626	-1,104	-6.6
Net fee and commission income	1,907	2,250	-344	-15.3
Net income from trading of cap derivatives	130	100	+30	+29.8
Dividends	4,060	3,858	+202	+5.2
OPERATING MARGIN	21,619	22,835	-1,216	-5.3
Revenues from sale	(3,044)	(4,032)	+989	-24.5
Net fair value results	22	(7)	+29	-416.9
NET INTEREST AND OTHER BANKING INCOME	18,597	18,795	-198	-1.1
OPERATING COSTS	(12,974)	(13,346)	+372	-2.8
GROSS OPERATING INCOME	5,624	5,450	+174	+3.2
NET VALUE ADJUSTMENTS	2,578	2,269	+309	+13.6
PROFIT (LOSS) BEFORE INCOME TAXES	8,202	7,719	+483	+6.3
INCOME TAXES	(2,025)	(1,647)	-378	+23.0
NET INCOME FOR THE PERIOD	6,176	6,072	+105	+1.7

Each amount reported is rounded: any possible discrepancies are due to rounding.

COMPOSITION OF INTERIM RESULTS WITH RESPECT TO NET INTEREST AND OTHER BANKING INCOME

(data in %)	2025	2024
Net interest income / Net interest and other banking income	83.5	88.5
Gross operating income / Net interest and other banking income	30.2	29.0
Profit (loss) before income taxes / Net interest and other banking income	44.1	41.1
Net income for the period / Net interest and other banking income	33.2	32.3

10 The half-yearly results of the reclassified income statement are presented here to highlight the gross operating income by separating the components related to the business from those arising from impairment processes. This result was achieved by reclassifying time-reversal write-backs on loans from "interest income" to "net value adjustments" amounting to €79 thousand in 2025 and €0.273m in 2024, value adjustments on interest from "interest income" to "net value adjustments" amounting to €0.143m in 2025 and €0.238m in 2024, net gains/losses on the disposal of loans from net interest and other banking income to "net value adjustments" of €1.704m (losses) in 2025 and €0.584m (gains) in 2024, the net profit from financial assets mandatorily measured at fair value of €0.151m (€22 thousand in 2024) and provisions for legal risks relating to loan disputes, transferred from "operating costs" to "net value adjustments" (€0.371m in write-downs in 2025, €20 thousand in write-backs in 2024). Moreover, net losses on equity investments of €66 thousand (€65 thousand in 2024) were reclassified under net value adjustments and the effects of applying IFRS 16 were neutralised by reclassifying under other administrative costs both interest expense on the payable to lessees (€4 thousand in 2025 and €3 thousand in 2024) and amortisation of rights of use (€73 thousand in 2025 and €71 thousand in 2024). Finally, the following items have been reclassified under interest expense: fee and commission expenses paid to the Raisin platform amounting to €347 thousand in 2025 (€449 thousand in 2024), SACE fees on EIB funding amounting to €2 thousand in 2025 (none in 2024) and stamp duty on savings deposits not recovered from customers amounting to €108 thousand (€190 thousand in 2024).

INCOME STATEMENT DYNAMICS

Net interest income

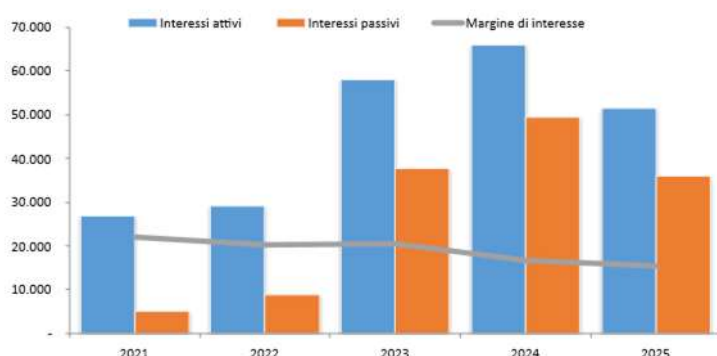
Breakdown of the net interest income (thousands of €)

Items	2025	2024	Chg.	% Chg.
INTEREST INCOME AND SIMILAR REVENUES	51,534	65,956	-14,422	-21.9
INTEREST EXPENSE AND SIMILAR CHARGES	(36,012)	(49,330)	+13,318	-27.0
NET INTEREST INCOME	15,522	16,626	-1,104	-6.6

Net interest income was lower than in 2024 (down €1.1m), but at €15.5m, it was broadly in line with the forecast presented in September, which projected net interest income of €15.7m; year-on-year, the cash management spread (net interest income excluding interest on arrears and doubtful loans) increased by 4 basis points (0.70% vs 0.66%) compared with 2024; nevertheless, the generalised fall in interest rates has reduced the return on equity, resulting in a reduction in net interest income of approximately €1.0m, characterised in particular by:

- a 57-basis-point decline in the average yield on interest-bearing assets (3.57% vs 4.14%), combined with a 9.4% decrease in average balances, resulting in a reduction in interest income of €14.4m;
- a more pronounced decrease in the average cost of funding of 61 basis points (2.87% vs 3.48%) against a backdrop of a decline in average balances (-11.4%); the combined effect resulted in a reduction in interest expense of €13.3m;
- an increase in the average return for the collection of default interest on arrears and doubtful loans (3.43% compared to 3.14% in 2024) combined with a further significant reduction in average balances (-20.8%) with a negative effect on net interest income of approximately €56 thousand.

Trend in net interest income (thousands of €)



Operating margin

Net fee and commission income fell by €344 thousand (-15.3%) compared with 2024, mainly due to a decrease in fee and commission income (-€322 thousand, -11.7%), in particular origination fees (-€365 thousand, -25.6%), which in 2024 were mainly linked to revenue from Fri-Turismo transactions.

Net revenue from services (thousands of €)

Items	2025	2024	Chg.	% Chg.
FEE AND COMMISSION INCOME	2,419	2,741	-322	-11.7
- survey and investigation	1,060	1,426	-365	-25.6
- corporate finance	734	737	-3	-0.5
- contractual	143	223	-81	-36.1
- administrative	132	119	+12	+10.3
- early termination	307	159	+148	+93.1
- others	44	76	-32	-42.6
FEE AND COMMISSION EXPENSES	(512)	(490)	-22	+4.5
- brokerage of applications for credit lines	(50)	(70)	+20	-29.1
- guarantees on lending / borrowing	(398)	(386)	-12	+3.2
- others	(64)	(34)	-30	+87.5
NET COMMISSIONS	1,907	2,250	-344	-15.3

In 2025, cap derivatives transactions entered into with customers to hedge interest rate risk – for which the bank simultaneously carried out counter-hedging on the interbank market – generated net income of €130 thousand against €100 thousand in 2024.

During the year, dividends of €4.060m were collected (€3.858m in 2024), of which €3.020m (€2.877m in 2024) came from the treasury share portfolio (Bank of Italy shares and shares of companies listed on the FTSE MIB market).

This income, together with the result from net commissions and revenue generated from trading in derivatives, brought the operating margin to €21.619m (-€1.216m; -5.3%).

Dividends (thousands of €)

	2025	2024	Chg.	% Chg.
Institutionals and debt recovery	61	82	-21	-25.7
Investments in UCITS	676	447	+229	+51.3
Other investments	303	453	-150	-33.0
Treasury	3,020	2,877	+143	+5.0
Total	4,060	3,858	+202	+5.2

Net interest and other banking income

The partial disinvestment of the portfolio of debt securities, with simultaneous reinvestment in securities with higher returns, generated capital losses of €3.044m (€4.032m in 2024). Taking into account the net balance of assets and liabilities measured at fair value (+€22 thousand), which includes the balance of changes in the fair value of cap options, the net interest and other banking income amounted to €18.597m, down by 1.1% (-€198 thousand) compared to the previous year.

Operating costs

Administrative costs amounted to €12.371m, down by €315 thousand compared with the previous financial year (€12.684m), due to an increase in expenditure for professional services (+€180 thousand) and employee costs (+€90 thousand), more than offset by lower contributions to the resolution and deposit protection funds (-€523 thousand).

Operating costs (thousands of €)

Items	31/12/2025	31/12/2024	Chg.	% Chg.
ADMINISTRATIVE COSTS:	(12,371)	(12,684)	+315	-2.5
a) payroll:	(8,448)	(8,352)	-96	+1.2
- employees costs	(7,859)	(7,769)	-90	+1.2
- directors and auditors costs	(589)	(583)	-7	+1.1
b) other administrative costs ¹¹	(3,862)	(3,749)	-113	+3.0
c) contribution to the banking crisis resolution fund and interbank deposit protection fund (FITD) ¹²	(60)	(584)	+523	-89.7
PROVISIONS FOR RISKS AND CHARGES	(330)	(354)	+24	-6.9
ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	(383)	(394)	+11	-2.9
OTHER OPERATING CHARGES/INCOME	110	87	+23	+26.5
OPERATING COSTS	(12,974)	(13,346)	+372	-2.8

Net provisions for risks and charges relate to the provisions for employee incentive schemes bonuses. Depreciation and amortisation for the period amounted to a total of €383 thousand, down slightly compared to the 2024 figure.

Overall, operating costs decreased by €372 thousand. The cost-to-income ratio has fallen slightly compared with the 2024 figure (69.8% versus 71.0%), largely due to the realisation of capital losses on securities;

11 The recoveries from customers of expenses and indirect taxes incurred by the Bank (+€1.263m in 2025, +€1.139 thousand in 2024) were reclassified, as a direct adjustment, from "Other operating charges/income" to "Administrative costs". The effects of the application of IFRS 16 were also offset by reclassifying both the interest expense on the payable to lessees (€4 thousand in 2025 and €3 thousand in 2024) and the amortisation of rights of use (€73 thousand in 2025 and €71 thousand in 2024) under other administrative costs. Income from tax credits for sponsorships (€10 thousand in 2025 and €28 thousand in 2024) was also reclassified as a reduction in the related expenses. Lastly, the stamp duty on savings deposits not recovered from customers for €108 thousand (€190 thousand in 2024) was reclassified under interest expense.

12 The amount relating to the contribution to the banking crisis resolution fund and the interbank deposit protection fund was split off from the item "other administrative costs" for a better understanding of their trend.

excluding the rebalancing of the securities portfolio, the ratio would have stood at 60%.

Efficiency indices

Items	2025	2024	Chg.
Operating costs/Net interest and other banking income (%)	69.8	71.0	-1.5
Payroll/Net interest and other banking income (%)	45.4	44.4	+1.0
Average cost per employee (thousands of €)	96.1	92.2	+3.9
Net interest and other banking income/average number of employees (thousands of €)	227.4	233.0	-5.6
Total assets/average number of employees (thousands of €)	19,383.4	18,738.6	+644.8

Net of the operating costs shown above, the gross operating profit stands at €5.624m, an increase of €174 thousand (+3.2%) compared with the previous financial year.

Value adjustments and net income from financial activities

The analytical valuation of impaired loans produced net value adjustments of €2.454m, as well as recoveries of €1.213m from collections on doubtful loans classified as loss-generating in previous periods.

On the other hand, the collective valuation process of the loans portfolio produced total net write-backs of €2.662m. The collective valuation of HTC securities – minibonds and government securities classified as loans and advances to customers and securities of banks classified as loans and advances to banks – generated net write-backs of €16 thousand, while the analytical valuation of minibonds issued by enterprises generated adjustments of €273 thousand. During the period, losses of €2,000 were charged directly to the income statement in respect of write-offs and forbearance, whilst the disposal of doubtful loans generated net gains of €1.704m.

The collective valuation of HTCS securities resulted in net adjustments of €5 thousand, whilst the valuation of the subsidiary Paradisidue resulted in adjustments of €66 thousand.

The collective valuation of the guarantees issued and the available margins generated write-backs of €3 thousand.

Provisions for legal risks comprise €250 thousand relating to a dispute concerning a claim for damages and €221 thousand relating to the full coverage of purchased construction tax credits subject to preventive seizure; these are offset by €100 thousand in write-backs relating to a dispute that was resolved in the Bank's favour; in addition, net positive fair value changes of €140 thousand were recorded on units in UCITS and net positive fair value changes of €11 thousand on debt securities in the FVTPL portfolio.

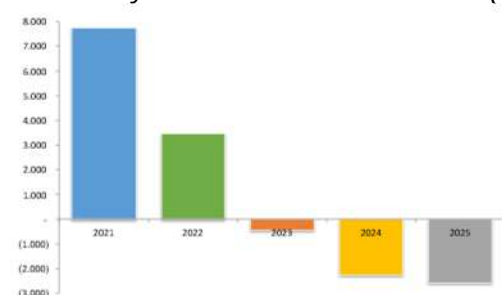
Overall, the valuation of financial assets led to the recognition of net write-backs of €2.578m compared to €2.269 thousand the previous year.

The measurement of the assets in the financial statements is summarised in the table below:

(thousands of €)

Items	31/12/2025	31/12/2024	Chg.	% Chg.
Value adjustments on HTC loans and advances (see part C tab. 7.1)	1,162	2,873	-1,711	-59.6
Net gains/losses on the sale of HTC loans and advances (see part C tab. 7.2)	1,704	(584)	+2,288	-391.7
Provisions for legal disputes on loans and advances (see part C tab. 7.3)	(371)	20	-391	-1,955.3
Value adjustments on HTCS debt securities (see part C tab. 8.2)	(5)	16	-21	-130.3
Change in FV investments in UCITS (see part C tab. 7.2)	140	(33)	+173	-524.2
Change in FV debt securities FVTPL (see part C tab. 7.2)	11	55	-44	-80.0
Value adjustments on equity investments (see part C tab. 15.1)	(66)	(65)	-1	+1.5
Value adjustments on other fin. transactions (see part C tab. 11.1)	3	(13)	+16	+126.0
Write-down of receivables, securities and equity	2,578	2,269	+309	+13.6

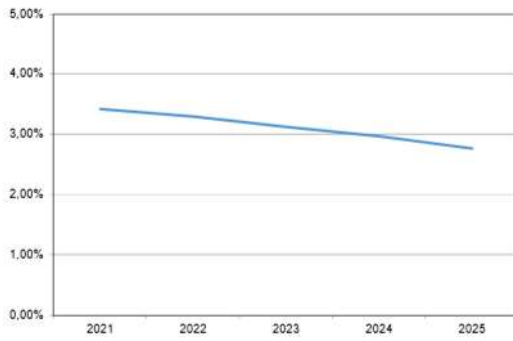
Trend in adjustments to loans and advances (thousands of €)



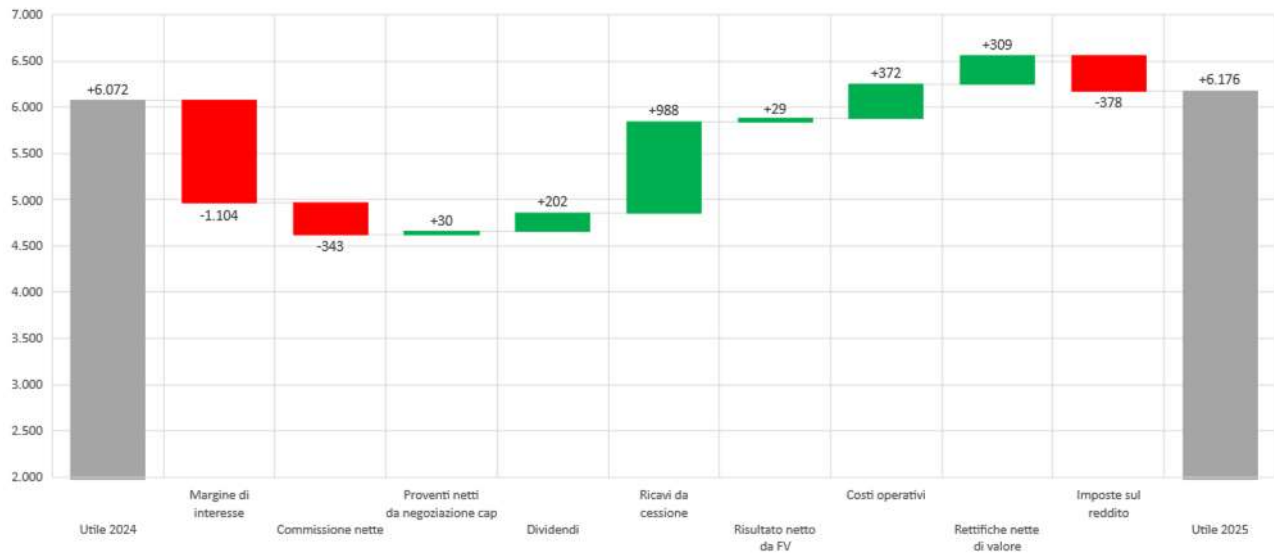
Profit (loss) for the year

The result from current operations before tax was positive for €8.202m, up relative to the 2024 results (+6.3%). Lastly, the net result for the period amounts to €6.176m, in line with 2024, after the calculation of the tax burden of €2.025m, which expresses a tax rate of 24.7%.

Trend for ROE



Comparison of net profit 2024/2025



EQUITY AND THE STATE OF AFFAIRS OF THE COMPANY

Equity

Valuation reserves increased by €12.040m due to the adjustment of the value of financial assets measured at fair value through other comprehensive income and defined benefit plans (actuarial gains/losses). Retained earnings, on the other hand, increased by €2,795m as a result of the allocation of the 2024 profit, by €4.205m for the profit on the disposal of equity investments held under the fair value option without reclassification to equity, and decreased by €65 thousand for the non-distributable reserve relating to valuation gains of the subsidiary Paradisidue srl, which was released in 2024.

As indicated in the table below, after taking into account the net income for the period, equity amounted to €230.052m, up by €19.080m.

(in thousands of €)

	Items	Dec 2025	Dec 2024	Chg.
110.	Valuation reserves	29,300	17,260	+12,040
140.	Reserves	106,249	99,314	+6,936
150.	Additional paid-in capital	29,841	29,841	-
160.	Share capital	58,485	58,485	-
180.	Profit for the period	6,176	6,072	+105
	Total equity	230,052	210,972	+19,080

Own funds and capital adequacy

Own funds as well as the capital adequacy ratios were calculated on the data taken from the financial statements prepared in application of the international accounting standards IAS/IFRS and the supervisory regulations.

It should be noted here that on 12 December 2017, the European Parliament and the Council issued Regulation (EU) 2017/2395 "Transitional arrangements for mitigating the impact of the introduction of IFRS 9 on own funds" that updates CRR Regulation 575/2013, introducing the new Article 473 bis "Introduction of IFRS 9", which offers banks the possibility of mitigating the impact on own funds deriving from the introduction of IFRS 9 in a transitional period of 5 years (from March 2018 to December 2022) by sterilising the impact in CET1 with the application of decreasing percentages over time. The Bank chose not to adopt this approach by calculating the entire effect due to the higher impairment, net of the tax component, in its own funds in 2018. Similarly, the Bank has not made use of the option to adopt the options provided for by the changes to the CRR introduced by the "quick fixes" regarding the IFRS 9 transitional regime envisaged by the new Article 473 bis of paragraph 9.

Common Equity Tier 1 capital – CET1

Common Equity Tier 1 capital consists of the share capital (€58.485m), additional paid-in capital (€29.841m), reserves (the aggregate of the legal reserve, the extraordinary reserve, the reserves of special revaluation laws, those formed at the time of application/review of IAS/IFRS and that originated during the year from the sale of equity securities under the OCI option) for an overall amount of €110.568m¹³.

It includes also the valuation reserves related to the equity securities under the OCI Option and the debt securities managed in the HTC&S business model amounting to €25.358m (positive) and reserves from actuarial gains/losses related to defined benefit plans (severance indemnities) amounting to €375 thousand (negative).

It is reduced by €266 thousand due to additional regulatory value adjustments, by €8 thousand due to write-downs relating to intangible assets, and by €3.761m due to write-downs relating to immaterial investments in CET1 instruments in other entities within the financial sector.

2. Additional Tier 1 capital (Additional Tier 1 – AT1)

The capital structure of the Bank does not present elements included in the Additional Tier 1 capital.

3. Tier 2 capital (TIER 2 – T2)

The capital structure of the Bank does not present elements included in the Additional Tier 1 capital.

¹³ The calculation of CET1 does not include the profit for the year in that the requirements set forth in Article 26, paragraph 2 of Regulation (EU) 575/2013 as specified by Decision (EU) 2015/656 of 4 February 2015 are not complied with.

	2025	2024
A1. CET 1 before the application of prudential filters	223,876	204,900
of which CET1 instruments subject to transitional provisions	-	-
B. CET 1 prudential filters (+/-)	-266	-190
C. CET1 gross of the elements to be deducted and of the effects of the transitional regime (A+/-B)	223,609	204,710
D. Elements to be deducted from CET1	3,768	-
E. Transitional regime – Impact on CET1 (+/-)	-	-
F. Total CET 1 (C-D+/-E)	219,841	204,710
G. AT1 gross of the elements to be deducted and of the effects of the transitional regime	-	-
of which AT1 instruments subject to transitional provisions	-	-
H. Elements to be deducted from AT1	-	-
I. Transitional regime – Impact on AT1 (+/-)	-	-
L. Total AT1 (G-H+/-I)	-	-
M. T2 gross of the elements to be deducted and of the effects of the transitional regime	-	-
of which T2 instruments subject to transitional provisions	-	-
N. Elements to be deducted from T2	-	-
O. Transitional regime – Impact on T2 (+/-)	-	-
P. Total T2 (M-N+/-O)	-	-
Q. Total own funds (F+L+P)	219,841	204,710

The Own Funds are the first safeguard against risks that a bank has to deal with and, looking forward, the level of capitalisation is a crucial lever for developing the typical business of the Bank whilst simultaneously preserving its stability.

The statement included in part B. details the single items that contribute to determining the "risk-weighted assets" for the purposes of calculating the "solvency ratios", applying the standardised approach, as per the rules laid down by Basel III regulations; in particular:

- CET1 ratio: given by CET1 / risk-weighted assets;
- T1 ratio: given by Tier 1 capital / risk-weighted assets;
- Own funds ratio: given by Own funds / risk-weighted assets.

With the transposition in Italy of Directive 2013/36/EU (CRD IV) and in compliance with the provisions of the EBA with the Guidelines on common SREP, on 7 November 2025 the Bank of Italy – in conclusion of the regular supervisory review process (SREP) – revised the bank's capital ratios, requesting additional capital with respect to the minimum regulatory requirements. Therefore, starting from December 2025, the Bank is required to comply with the following requirements:

- Common Equity Tier 1 ratio of 9.00%, including capital conservation buffer of 2.50% and 1.00% for a systemic risk buffer. This ratio is binding at 5.50% (minimum of 4.50% and 1.00% of additional SREP requirements);
- Tier 1 ratio of 10.80%, including capital conservation buffer of 2.50% and 1.00% for a systemic risk buffer. This ratio is binding at 7.30% (minimum of 6.00% and 1.30% of additional SREP requirements);
- Total Capital ratio of 13.20%, including capital conservation buffer of 2.50% and 1.00% for a systemic risk buffer. This ratio is binding at 9.70% (minimum of 8.00% and 1.70% of additional SREP requirements).

In addition, to ensure compliance with the binding measures highlighted above and to ensure that own funds can absorb any losses deriving from stress scenarios, the Bank of Italy has identified the following capital levels that the Bank is asked to ensure:

- CET1 ratio: 11.25%, consisting of an OCR CET1 ratio of 9.00% and a Target Component (Pillar 2 Guidance P2G), against a greater exposure to risk under stress conditions, equal to 2.25%;
- Tier 1 ratio: 13.05%, consisting of an OCR T1 ratio of 10.80% and a Target Component, against a greater exposure to risk under stress conditions, equal to 2.25%;
- Total Capital ratio: 15.45%, consisting of an OCR TC ratio of 13.20% and a Target Component, against a greater exposure to risk under stress conditions, equal to 2.25%.

(in thousands of €)

Categories/amounts	Non-weighted amounts		Weighted amounts	
	2025	2024	2025	2024
Credit risk and counterparty risk	1,606,144	1,599,975	744,792	732,493
1. Standardised approach	1,604,133	1,597,294	744,696	732,397
2. Internal ratings-based approach	-	-	-	-
3. Securitisation	2,011	2,682	96	96
Market risk and settlement risk			-	-
Operational risk			41,155	47,843
Credit valuation adjustment (CVA) risk			20,572	-
Other specific risk			-	-
Risk-weighted assets			806,519	780,337
Regulatory capital requirements			64,522	62,427
CET1/Risk-weighted assets (CET1 capital ratio)			27.26	26.23
Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)			27.26	26.23
Total own funds/Risk-weighted assets (Total capital ratio)			27.26	26.23

Own funds amounted to €219.8m; net of the minimum regulatory requirements, their residual values were as follows:

- €129.1m with respect to the 11.25% threshold set for CET1 (€157.3m without taking into account the additional conservation buffer and the capital coefficient buffer against systemic risk);
- €114.6m with respect to the 13.05% threshold set for total Tier 1 capital, and
- €95.2m with respect to the 15.45% threshold set for own funds;

which are considered adequate to ensure the development of the business activity and future compliance of the minimum equity requirements established by Basel IV.

Trend in own funds

	2025	2024
Opening Tier 1 capital	204,710	194,226
Share capital increase (+)	-	-
Share capital reduction (-)	-	-
Non-distributed income (-) ¹⁴	+2,730	+3,080
Change in Bank's creditworthiness (-)	-	-
Change in comprehensive income:	+16,246	+7,301
Assets through other comprehensive income	+12,033	+7,295
Defined benefit plans	+7	+7
Other	+4,205	-
Changes in goodwill and other intangible assets	-8	+23
Changes in deferred tax assets that depend on future profitability and do not derive from temporary differences	-	-
Changes in the impact of the transitional regime	-	-
Losses in the current year	-	-
Unrealised losses measured at fair value	-	-
Unrealised gains measured at fair value	-	-
Deduction of deferred tax assets that depend on future profitability and do not derive from temporary differences	-	-
Deferred tax assets that depend on future profitability and derive from temporary differences existing as at 1 January 2014	-	-
Other changes	-77	+80
Change in non-significant investments in CET1 instruments in other entities within the financial sector	-3,761	-
Changes in Additional Tier 1 capital (AT1)	-	-
Losses in the current year	-	-
Variation in surplus elements to be deducted from Additional Tier 1 capital with respect to Additional Tier 1 capital	-	-
Closing Tier 1 capital	219,841	204,710
Opening Tier 2 capital	-	-
Share capital increases that cannot be included in Tier 1 capital (+)	-	-
Share capital decreases that cannot be included in Tier 1 capital (-)	-	-
Changes in the impact of the transitional regime	-	-
Amortisation/Depreciation changes	-	-
Other changes	-	-
Closing Tier 2 capital	-	-
Own funds	219,841	204,710

14 The amount also includes the profit or losses deriving from the sale of equity securities held under the OCI option.

Rating

During the month of May 2025, Moody's changed the Baseline Credit Assessment (BCA) and the Adjusted BCA to baa3 from ba1 and the long-term deposit rating to Baa1 from Baa2 and at the same time Mediocredito's outlook from negative to stable, maintaining the levels of the other ratings, as shown below:

Moody's Investor Service

Outlook	Stable
Counterparty Risk Rating	Baa1 / P-2
Bank Deposits	Baa1 / P-2
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa3
Counterparty Risk Assessment	Baa2(cr) / P-2(cr)
Issuer Rating	Ba1
Senior Unsecured – Domestic	Ba1

THE SYSTEM OF INTERNAL CONTROLS, COMPLIANCE WITH LAWS AND REGULATIONS AND RISK MANAGEMENT

In spite of the fact that the Bank, given its size and business model, operates in a moderate risk context, which remained essentially stable also during 2025, it attaches particular importance to risk management and control to ensure reliable and sustainable value creation in a context of controlled risk, protecting its financial soundness and reputation.

The corporate functions involved in risk management and internal controls i.e. Internal Auditing, Compliance and Risk Management, regularly discuss the issues with the General Management and with the Manager responsible for preparing the company's financial reports directly and through several committee meetings, which have been entrusted with the task of monitoring the different risk profiles and the correct functioning of the control system. These committees include the ALCO Committee, for financial risks, the Credit Risk Management Committee, the Investment Committee for the management and evaluation of venture capital investments, the Independent Directors Committee for the assessment of risks in relation to related parties and significant transactions, as well as the Risks Committee for the monitoring of the overall control and risk management system.

For further details on the processes in which the functions and committees are involved with regard to risk management and controls, please also refer to the relevant sections in Part E of the Notes to the Financial Statements.

AUDITING ACTIVITY

Internal auditing responsibility is entrusted to the Auditing function that constantly monitors company processes and activities to ensure that they comply with regulations and assesses the effectiveness of the overall system of internal controls.

The Internal Control System has been monitored by the Internal Auditing Office that, in the reports prepared at the end of the various checks carried out in the course of the year, has always given a focus to such an important aspect. During 2025, Internal Auditing activities were also focused on controlling the correct functioning of I- and II-level controls within the Bank, with specific focus on the guarantees (public and mortgage) backing the funding transactions. Shortcomings, where encountered and in particular when considered significant, have been promptly referred to the relevant Operational Unit indicating possible solutions to be adopted, aimed at improving the complex system of internal controls. The Internal Auditing Service monitors that requested changes and the adaptation of the relative processes are implemented in the course of its follow-up activity and highlights the results in special reports.

In this regard, the management of the follow-up was strengthened, through the adjustments of the Regulation of the auditing function, the introduction of quarterly reporting and interaction with the Organisation Area.

A Service Agreement is in effect between the internal auditing function and the compliance function of the Bank in order to avoid duplication in their monitoring responsibilities and obtain better efficiency in the control process. To this end, an IT tool (the Allitude/SIC platform) has been implemented, featuring specific functions dedicated to the control system; furthermore, throughout 2025, work continued on reviewing and updating processes and related controls, whilst simultaneously mapping them onto the aforementioned platform.

Moreover, the Auditing function reports on a regular basis to the Board of Directors, the Board of Statutory Auditors, the Risks Committee and the General Management on the annual and multiannual work programme in advance and with regard to the final results of all the activities carried out, highlighting structural critical points, the most suitable improvements and providing an overall assessment of the internal control system.

COMPLIANCE ACTIVITY

The management of non-compliance risk is the responsibility of the Compliance function, whose activities are aimed at:

- identifying and assessing non-compliance risks arising from changes in the legislative and regulatory framework, as well as those inherent in the Bank's operational and organisational processes;
- proposing organisational measures to mitigate such risks, and providing advice and assistance to senior management and business units on all matters where the risk of non-compliance is significant;
- assessing the Bank's new areas of operation, in order to identify and define the necessary regulatory compliance processes;

- monitoring – including in collaboration with other corporate control functions – the ongoing maintenance of compliance conditions, as well as promoting a corporate culture based on principles of fairness, integrity and compliance with regulations.

The work method adopted was based on a "risk-based" approach – giving priority and structuring compliance activities in relation to the level of exposure to risk – and involved the use of extensive documentary sources and interaction with internal and external stakeholders who, in various capacities, contribute to the management of non-compliance risk.

In terms of regulatory compliance, in 2025 the activity of the Compliance Function focused on the following topics:

- anti-money laundering and counter-terrorist financing (AML/CFT);
- ICT risks and implementation of Regulation (EU) 2022/2554 – DORA;
- development of the prudential framework (known as Basel IV);
- Environmental, Social and Governance (ESG).

In addition, the activities to monitor the risk of non-compliance and the continuous updating of the Internal Control System also saw the Function active in the following areas:

- analysis of the new operating areas of the Bank;
- ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process);
- remuneration and incentive policies;
- organisational procedures for the provision of services and investment activities to the public;
- risk assets and conflicts of interest;
- loans secured by public guarantees;
- transparency of banking and financial transactions and services;
- review of the FATCA and CRS compliance management framework;
- equity holdings permitted for banks;
- management of company records and privacy.

RISK MANAGEMENT ACTIVITY

The management and monitoring of the overall risks for the Bank, including ICT risk, is entrusted to the "Risk Management and ICT Risk" function that, in the organisational chart, reports directly to the Board of Directors – responsible for the overall monitoring of the risk management and control system – with a reporting line to the General Management. The "Risk Management and ICT Risk" function is present in the board committees in charge of assessing and managing risks and, in particular, is part of the Credit Risk Management Committee and the ALCO Committee for financial risks, and the Risks Committee, of which it is the secretary.

The Bank's system of internal controls is based on a model that ensures the organisational separation of the control functions from the business functions, guaranteeing its independence.

The "Risk Management and ICT Risk" function aims to identify, assess and monitor the overall risk of the Bank through the integrated coordination of the various risk profiles (credit, financial, etc.), by offering support to the General Management and the Board of Directors in defining the decisions regarding sustainability and risk tolerance, the policies for the assumption, governance and control of significant risks for the Bank, also in the ESG and ICT context, in application of the regulatory framework set forth by the Supervisory Authorities.

The function in question makes use of the services of the company Meta srl to which the bank has outsourced the "ICT Risk" function.

In 2025, the main areas of intervention of the "Risk Management and ICT Risk" function concerned:

- Activities necessary for the correct implementation of Basel IV regulations and drafting of the related Policy and control methodologies (Guarantees, RWA); personnel training and supervision of data remediation activities on the information system;
- Full implementation of Prometeia's Risk Governance Services;
- Reviews and refinements following the full implementation of the ERMAS interest rate and liquidity risk model, including CSRBB and Basis Risk metrics;
- In-depth reviews of CSD's IFRS 9 collective impairment model and fine-tuning in collaboration with the Administration and Finance Area;
- Contribution to the definition and implementation of the Risk Appetite Framework (RAF) and related risk governance policies, associated monitoring and management reporting;
- Preliminary opinions on OMR;

- Risk measurement, assessment and control system relating to the obligations and requirements of the Internal Capital Adequacy Assessment Process (ICAAP) and coordination of activities within the Control Committee for the presentation of the ICAAP-ILAAP Report;
- Drafting of Public Disclosure (Pillar III);
- Review of the system, process and regulations for risk management and control within the ICAAP-ILAAP framework: this activity began in the final months of the year and ended with a presentation to the Board of Directors in February 2026.
- Verification of eligibility criteria for property collateral and favourable risk weights for the purposes of Credit Risk Mitigation (CRM), based on Basel 4 regulations and the criteria identified in the new Basel 4 Process Policy;
- Continued monitoring of exposures to customers operating in the most exposed sectors;
- Performance monitoring of individual credit exposures, assessment of the consistency of classifications and the adequacy of provisions for impaired exposures, within the Credit Risk Management Committee;
- Preventive analysis of new regulations/policies and related organisational procedures, as well as their updates in accordance with internal regulations and in strict cooperation with other control functions;
- Monitoring the risks on public investment services.

In the ICT Risk area, the following should be noted in particular:

- Self-assessment of the ICT risk management system against the requirements introduced by EU Regulation 2022/2554 (DORA);
- Outsourcing of the ICT Risk Control Function to Meta s.r.l.: preparation of the Risk Assessment and the related FEI outsourcing process;
- Analysis, verification and presentation of the Policy on the methodology for analysing and managing ICT and security risks, developed in collaboration with Meta and the Organisation/Information Systems function;
- Supervision of ICT Risk activities in the capacity of internal contact for the outsourced control function.

COMPLIANCE WITH REGULATIONS

ICT risk management (Bank of Italy Circular 285/2013 – 40th update) and DORA Regulation (Digital Operational Resilience Act – Regulation 2022/2554/EU)

During the 2025 financial year, the Bank continued to strengthen its management of non-compliance risks relating to ICT and security, not least in light of the changes introduced by the 40th update to Bank of Italy Circular no. 285/2013 and the entry into force, from January 2025, of Regulation (EU) 2022/ 2554 – Digital Operational Resilience Act – DORA (for further details on the latter, please refer to the dedicated section below).

In this context, the Bank has assessed the advisability of outsourcing the ICT and Security Control Function – classified as an Essential or Important Function (EIF) – in order to ensure specialist, continuous and effective management of IT and security risks, in line with the principle of proportionality and with its organisational structure. The decision was preceded by a specific internal risk assessment, carried out in accordance with supervisory regulations and the Bank's "Policy on the Outsourcing of Corporate Functions".

The Compliance Function played an active role in overseeing the outsourcing process, verifying that the transaction complied with the applicable laws and regulations (Circular no. 285/2013, EBA Guidelines on Outsourcing, DORA Regulation), as well as ensuring that the structure identified was consistent with the Internal Control System and the Bank's overall governance model. In particular, the Function participated in the assessments regarding the absence of conflicts of interest, the definition of the contractual safeguard clauses and the adequacy of the information flows to the Corporate Bodies.

The Risk Management Function conducted the risk assessment on the outsourcing, adopting a qualitative and quantitative risk-based approach aimed at identifying the main risks associated with the supplier (including strategic, operational, reputational, concentration, ICT security and business continuity risks), assessing the effectiveness of the planned mitigation controls and determining the residual risk. The outcome of the analysis highlighted an overall moderate level of risk, consistent with the Bank's risk appetite.

With regard to the identified supplier, in-depth due diligence activities were carried out, which confirmed the adequacy of the requirements regarding professionalism, independence, organisational soundness and operational capacity, as well as the presence of suitable controls regarding information security and business continuity. The outsourcing contract envisages specific clauses aimed at guaranteeing the full exercise of

control powers by the Bank and the Supervisory Authorities, the definition of adequate service levels (SLAs), structured disclosure obligations and appropriate exit strategies.

The outsourced ICT Control and Security Function reports hierarchically to the Board of Directors and operates in full autonomy and independence, with direct access to the Governance Bodies and the Board of Statutory Auditors. An internal contact person was also identified in the figure of the Head of the Risk Management Function, in charge of ensuring operational liaison with the supplier and the continuous monitoring of the quality of the service provided.

The outsourcing was the subject of a specific prior notification to the Bank of Italy, as it relates to an Essential or Important Function, and has been duly recorded in the Outsourcing Register, in accordance with the EBA Guidelines.

Overall, the structure adopted enables the Bank to strengthen its oversight of ICT and security risks, to ensure compliance with new regulatory provisions, in particular the DORA Regulation, and to maintain an adequate level of control and governance over outsourced activities, without compromising the overall effectiveness of the internal control system.

With regard specifically to the DORA Regulation, the Bank has launched and developed a complex process of adaptation to Regulation (EU) 2022/2554 – Digital Operational Resilience Act (DORA), aimed at strengthening the control of ICT and IT security risks, as well as digital operational resilience, in line with the European regulatory framework and the internal control system.

During 2025, the main preparatory activities for the implementation of the DORA framework were completed, with the coordinated involvement of the relevant Functions (Information Systems, ICT Risk, Risk Management, Organisation and Compliance). In particular:

- the Register of ICT providers was drawn up and finalised, including the required disclosures, as an essential tool for managing third-party risk;
- an internal analysis of the risk connected to ICT third parties was carried out, including by sending specific information questionnaires to relevant suppliers, with the aim of assessing risk profiles and the security measures adopted;
- the process of adapting contracts with ICT third parties was initiated, in line with DORA requirements on governance, audit rights, service levels and business continuity;
- the ICT risk analysis methodology Policy was defined and formalised, to oversee the processes of identifying, assessing and managing IT risks;
- the methodological foundations were laid for strengthening the Business Continuity framework, through the definition of the Business Impact Analysis (BIA) methodology and the Business Continuity Risk Assessment activities.

These measures have enabled the Bank to establish an initial comprehensive compliance framework for the DORA Regulation, integrated into the broader Internal Control System and consistent with the risk-based approach adopted.

During 2026, the Bank will continue its efforts to fully complete its compliance with the DORA Regulation, with particular reference to activities that are still ongoing or have not yet been initiated. Specifically, the following are planned:

- the completion of contractual compliance with ICT third parties, ensuring full compliance with the clauses required by the Regulation;
- the definition and adoption of the ICT third-party management Policy and the updating of ICT incident management procedures, including classification, escalation and reporting procedures;
- the formalisation of the ICT change management Policy, to monitor the risks associated with changes to systems and technological infrastructures;
- the preparation of the annual report on ICT incidents and the review report of the ICT risk management framework, as well as the summary report on the IT risk situation, to be submitted to the Corporate Bodies;
- the update of the ICT Asset Inventory, as a prerequisite for proper risk management and monitoring of critical resources;
- the execution of IT security tests, including penetration and vulnerability tests (VAPT), depending on the evolution of the risk profile and regulatory indications.

The Compliance Function will continue to oversee the regulatory compliance process, verifying the consistency of the initiatives undertaken with the reference regulatory framework and ensuring adequate disclosure to the Governance Bodies, in coordination with the ICT Risk Function and the other control functions.

Anti-Money Laundering (Restrictive Measures Project)

In the AML area, 2025 was characterised by the "Restrictive Measures" project (hereinafter also "MI.RE."), namely the process of aligning with the new European and national regulatory framework on restrictive measures, as well as with the Guidelines of the European Banking Authority (EBA).

The Bank launched a comprehensive project aimed at ensuring full compliance with regulatory requirements regarding financial sanctions, sectoral restrictions, the freezing of funds and the prevention of circumvention. To implement the project, consultancy services were engaged from META Srl to support the Bank's AML Function.

The project was structured in three phases, with the aim of strengthening organisational controls, internal controls and operational processes, in line with the Bank's risk profile and the best practices of the banking sector.

Phase 1: Analysis and establishment of organisational and operational controls.

The first phase, which was completed in December 2025, involved analysing gaps in relation to the new provisions and defining the main governance and control tools.

Firstly, a detailed analysis of existing practices was conducted against the requirements of the new regulations, using the EBA Guidelines and banking sector best practices as a reference (gap analysis).

Whilst the gap analysis highlighted a good level of pre-existing controls, thanks to integration with AML processes, it also identified certain areas for improvement, such as:

- strengthening controls on sector-specific measures and exemptions;
- formalising a periodic assessment of risk exposure;
- integrating information flows to Corporate Bodies.

Following the gap analysis, a Policy on the implementation of restrictive measures was drawn up. The document sets out the general principles for managing the risk of sanctions. The main contents of the Policy are:

- key definitions (e.g. restrictive measures, freezing of funds and economic resources);
- compliance objectives and the prevention of circumvention;
- the relevant regulatory framework (EU, UN and national);
- the roles and responsibilities of the corporate bodies (Board of Directors for strategic supervision, General Manager for operational implementation, Head of MI.RE. for coordination);
- screening and due diligence systems during phases such as onboarding, changes to personal details and checks on transfers;
- internal and external information flows;
- integration with AML processes;
- regular training.

During this phase, the Bank also:

- developed a model for assessing exposure to the risk of non-compliance with restrictive measures (MI.RE.), which includes:
 - identification of applicable sanctions regimes (e.g. UN measures implemented by the EU, targeted and sectoral financial sanctions);
 - segmentation of exposed business areas (e.g. lending, current accounts, payment systems, etc.);
 - quantification of the probability of non-compliance (MAMR) through Key Risk Indicators (KRIs) weighted by risk factors (geographical, customers, products, channels);
 - analysis of the probability of circumvention (EMR) through qualitative questionnaires on organisational controls;
 - determination of residual risk;
 - the reporting system.
- a Head of Restrictive Measures has been appointed. The EBA guidelines require the designation of a Head of Restrictive Measures, responsible for coordinating the implementation of MI.RE., ensuring integration with anti-money laundering controls and promoting an efficient approach in light of the convergence of risks.

Activities will continue in 2026 with the completion of the second and third phases.

Anti-Money Laundering (Review of internal regulations)

During 2025, work also continued on the ongoing updating and refinement of anti-money laundering processes. In particular, the following were reviewed during the financial year:

- Customer Due Diligence processes, through the introduction of a new KYC (Know Your Customer) questionnaire and the definition of a specific operating procedure for its completion (so-called "onboarding KYC");
- the anti-money laundering internal control system, with the aim of streamlining existing controls and introducing additional checks based on findings from the first year of operation under the new internal control framework. As part of this initiative, the timing of control activities was also revised to ensure a more balanced distribution throughout the year.

Basel IV (CRR3)

During the 2025 financial year, the implementation process of the new prudential framework "Basel IV" entered a more advanced stage, with the relevant policy submitted to the Board of Directors on 6 November 2025. The main changes concern:

- the revision of the standardised method for calculating capital requirements for credit and counterparty risk;
- the introduction of the new standardised approach for operational risk;
- the adoption of the BA-CVA method for credit valuation adjustment risk.

With reference to credit risk, the Risk Management Function oversaw the analysis of the impacts arising from the new criteria for the treatment of exposures, in particular concerning:

- exposures in the form of Project Finance;
- exposures financing real estate development;
- exposures secured by mortgages on real estate;

as well as further amendments relating to exposures to supervised intermediaries, equity instruments and off-balance sheet items.

The Bank ensured the monitoring of the regulatory compliance process, verifying the compliance of the methodological and technological solutions adopted — including with reference to the tools and processes made available by the outsourcer — and their consistency with the overall regulatory framework and the Bank's credit policies.

As part of the adoption of the new prudential standards, implementation of the new concept of "property value" was also initiated, which is more conservative than market value. In this respect, the Risk Management Function highlighted the need, for exposures granted from 1 January 2025 onwards, to retrieve and input the relevant values into internal systems, as well as to complete the process of collecting data necessary for the statistical revaluation of properties.

Finally, initiatives were launched to update internal regulations and operational processes, involving the relevant functions. These included updating the Credit Policy, incorporating the ABI Guidelines on property valuation, and adapting appraisal and property collateral monitoring processes.

ESG factors and corporate social responsibility

In March 2023, the Bank approved its three-year ESG Action Plan in response to the supervisory expectations on climate and environmental risks issued by the Bank of Italy in April 2022. The Plan sets out the Bank's pathway for progressively aligning with the integration of environmental, social and governance factors into its business processes and is consistent with the ESG objectives included in the 2023-2025 Business Plan.

During 2025, the Bank continued to implement the Plan, maintaining its commitment to integrating ESG factors into key areas such as governance, risk management, lending and the business model. Progress on these activities has been made taking into account recent developments in the legislative and regulatory framework on sustainability, including the changes introduced by the so-called "Omnibus" legislative package, approved in 2025. These measures led to a review of certain reporting requirements, including a reduction in the scope of companies subject to the Corporate Sustainability Reporting Directive (CSRD), the simplification of the European Sustainability Reporting Standards (ESRS) and the introduction of more gradual implementation mechanisms for smaller companies. For the Bank, these developments extend the timeline for certain disclosure obligations, while keeping the progressive integration of ESG factors into business processes and control systems at the core.

A key focus of the work carried out in 2025 was the strengthening of the ESG information base. The Bank completed the collection of ESG data on credit counterparties and on property collateral through external providers; this information was integrated into the Bank's IT systems (Allitude) in January 2026, making it available through dedicated dashboards for monitoring and analysis purposes.

At the same time, initial operational steps were taken to integrate ESG factors into Risk Management and Credit processes, particularly with regard to the materiality assessment of climate and environmental risks and the planning of revisions to the Credit Policy. The aim is to progressively strengthen risk management and mitigation controls, avoiding sector-based exclusion approaches and prioritising tools such as dedicated assessment criteria, contractual terms, differentiated pricing and monitoring.

1. Implementation and updating of the ESG Action Plan

In light of regulatory developments and the findings emerging from the analyses carried out, the ESG Action Plan was revised in September 2025, with the support of KPMG. The revision aimed to ensure greater alignment between planned initiatives, the evolving regulatory environment and the Bank's operational priorities, while also improving the clarity of communication with Corporate Bodies and the Supervisory Authority. As part of this process, the Plan was streamlined, reducing the number of actions from the original 59 to 49 initiatives, with some activities rescheduled to the 2026-2027 period.

Governance, Internal Controls, Operations & Disclosure

Within governance and internal control systems, the revised Plan takes into account recent European regulatory developments, as well as the deferral of the first ESG Pillar 3 reporting to 2026, in line with a proportional approach consistent with the Bank's size and complexity. During the implementation of the Plan, certain internal organisational and regulatory frameworks were updated with the aim of strengthening the integration of ESG factors into business processes and control systems. The review also took into account the need to coordinate ESG initiatives with other ongoing regulatory projects, in particular those related to the DORA framework (ICT supplier management and business continuity) and the evolution of the prudential framework.

Lastly, the updated planning takes into account the development roadmap of the information systems managed by the outsourcer Allitude for the acquisition and integration of ESG data.

Finance

With regard to the Finance area, the revision of the Plan entailed a greater focus on the investment strategy of the proprietary portfolio, favouring government securities aligned with the Bank's overall risk profile.

At the same time, the liquidity management strategy was reviewed, with particular attention to diversification of funding sources and alignment with sustainability objectives progressively integrated into the Bank's strategies.

Risk Management

In the Risk Management area, the revised Plan is based on a materiality-driven approach to ESG risks, with the objective of focusing analysis and management activities on the most relevant climate and environmental risks for the Bank.

As part of the Plan, the Risk Manager, with the support of KPMG, carried out an assessment of climate and environmental risks aimed at evaluating their potential impact on the main categories of banking risk.

The analyses highlight that climate and environmental risks can have cross-cutting effects across various risk types, with potentially more significant impacts on credit risk. In particular, companies more exposed to extreme climate events or to energy transition processes may face operational and financial challenges, potentially affecting their ability to repay credit exposures. At the same time, the value of property collateral may be influenced by physical risks such as floods or wildfires.

The updated planning also reflects the implementation timeline of the ESG risk management guidelines issued by the European Banking Authority (EBA), which are expected to apply to small and non-complex institutions from January 2027, as well as the ongoing consultation process on future EBA guidelines on climate scenario analysis.

Business model and strategy

In line with the ESG Plan, the Bank developed initiatives aimed at strengthening the contribution of its lending activity to supporting the sustainable transition of businesses.

In particular, portfolio analyses were initiated on physical and transition risks, with the aim of identifying exposures to economic sectors more sensitive to the impacts of climate change.

At the same time, the Bank has expanded the range of financial instruments available to support investments with environmental components, including transactions backed by EIF InvestEU Sustainability guarantees, EIB Loan for SMEs and Climate Action funding, and loans granted under the Trentino Development Protocol with a green component.

2. Employee health and well-being

The Bank recognises employee well-being and the enhancement of human capital as a key element for the organisation's sustainable development. With this in mind, a number of initiatives aimed at fostering a balanced, inclusive working environment that is attentive to employees' needs were confirmed and consolidated during 2025.

These include the maintenance of flexible working arrangements, governed by trade union agreements and individual remote working contracts. This organisational approach helps to promote a better work-life balance, whilst contributing to a reduction in commuting and an improvement in organisational efficiency.

At the same time, the Bank is continuing with the implementation of the Gender Equality Management System in accordance with the UNI/PdR 125:2022 standard, a process initiated in previous years with the aim of strengthening the integration of the principles of equity and inclusion into business processes. During 2025, activities focused in particular on consolidating and analysing the key indicators required by the standard, in order to more precisely identify priority areas for improvement and monitor the effectiveness of initiatives already undertaken in relation to gender equality and organisational well-being. In this context, a staff survey was also conducted to collect structured feedback from employees regarding the internal working environment, levels of inclusion and opportunities for professional development.

These activities form part of a continuous improvement process aimed at strengthening organisational and cultural frameworks in the areas of equal opportunities and well-being, promoting a working environment based on the enhancement of skills, respect for diversity and the full participation of employees in corporate life.

3. Responsibilities for the environment and the community

The Bank continues its commitment to reducing the environmental impact of its operations and promoting initiatives that benefit the local community.

Approximately 97% of the electricity used by the Bank comes from certified renewable sources. In this context, energy efficiency measures carried out in recent years at the Trento headquarters include the installation of a 36 kW photovoltaic system on the building's roof and the integration of the heating and cooling system through a heat pump. These measures form part of a broader energy efficiency programme aimed at progressively increasing the proportion of energy requirements met through self-generation from renewable sources, with the goal of reaching up to 40%.

During 2025, further initiatives were implemented to reduce the environmental impact of day-to-day operations. In particular, a new contract was signed for cleaning services at the Trento headquarters and the Treviso branch, incorporating sustainability criteria in service delivery. At the Trento site, filtered water dispensers were installed, eliminating the use of plastic bottles previously supplied in vending machines and replacing plastic cups with recycled paper alternatives. In order to promote more sustainable waste management, dedicated recycling bins were also introduced on all floors of the building.

At the same time, the Bank continued its digitalisation and dematerialisation efforts, with the aim of reducing paper consumption and improving operational efficiency. Key initiatives include the widespread use of digital signatures, the adoption of electronic document archiving systems, the increasing use of digital information sources, and the gradual replacement of traditional printers with technologies having a lower environmental impact.

In terms of social sustainability, the Bank has a policy governing charitable donations, which sets out transparent allocation criteria consistent with industry best practice. In particular, these initiatives are geared towards supporting third-sector organisations active in the social, cultural and environmental spheres, with a particular focus on organisations rooted in the Trentino – South Tyrol region.

Over the past year, the Bank has further strengthened its commitment to the local community, allocating resources to social and cultural initiatives through a fund financed by 5% of the previous year's net profit. This also includes the collaboration with Fondazione Aquila, aimed at supporting projects promoted by the AquilLab for no profit network, with the aim of fostering initiatives that promote social inclusion, participation and the well-being of the local community.

The Bank also constantly monitors the application of the following regulations previously in force:

- Circular no. 285 of 17 December 2013 – "Corporate governance": the updated version of the Corporate Governance Project is published on the Bank's website (www.mediocredito.it);
- Public system for preventing, from an administrative point of view, fraud in the consumer credit sector, with specific reference to identity theft (Legislative Decree no. 141 of 13 August 2010) – A specific agreement is in place with the managing body (CONSAP) for membership of the system in question;
- Database of Relations (Presidential Decree 605/1973): the submission to the Inland Revenue of the balances of the relations as at 31 December 2022 was carried out on 7 February 2023, as prescribed in the regulations in force;
- Foreign Account Tax Compliance Act (FATCA);
- Tax identification of holders of financial accounts (CRS – Law no. 95/2015 – Directive 2014/107/EU)
- Legality rating (Ministerial Decree no. 57 of 20 February 2014);
- Internal regulations on the Companies' administrative liability (Legislative Decree no. 231/2001) supervised by the Supervisory Body assigned to the Board of Statutory Auditors;
- Provisions on "Transparency of operations and banking and financial services; regularity of the relationships between intermediaries and customers";
- Usury regulations (Law no. 108 of 7 March 1996);
- Measure containing implementing provisions with respect to customer due diligence (Article 7, paragraph 2, of Legislative Decree no. 231 of 21 November 2007);
- Regulations on the Mortgage Credit Directive (2014/17/EU and Legislative Decree no. 72/2016) on consumer credit agreements relating to residential real estate;
- Compound interests (Legislative Decree no. 385/93 – Consolidated Law on Banking, Article 120, par. 2) on the procedures and criteria for the production of interests in transactions put in place in the course of banking activities;
- Investment services and EMIR Regulation (Regulation (EU) no. 648/2012);
- Regulation governing transparency of financial information (Legislative Decree no. 195/2007 and Articles 154-bis and 154-ter of the Consolidated Law on Finance) – the Bank, issuer of securities listed on regulated European markets, maintained Italy as a member State of origin;
- Risk assets and conflicts of interest in respect of related parties (Bank of Italy Circular no. 263/2006, 9th update): the OPC Committee, appropriately established to express the relevant preventive opinions, expressed 3 non-negative opinions;
- Bank of Italy Circular no. 285/2013 – Title IV Chapter 4 "The information system": the bank's policy is to define an annual Operating Plan of the IT initiatives, which sets out the contents of the strategic plan in clear and practical actions; the Plan is approved by the Board of Directors on an annual basis as part of the RAF;
- Bank of Italy Circular no. 285/2013 – "The operational continuity": the Board of Directors examines on an annual basis the management of operational continuity in the event of an emergency, the adequacy tests of the continuity procedures and updates the related plan;
- Safety regulation (Legislative Decree no. 81/2008) – an assignment was conferred by the Bank relating to the PPSM function and the "employer" function was outsourced in accordance with Article 16 of Legislative Decree no. 81/2008;
- Internal system for reporting violations – Whistle-blowing (Legislative Decree 385/93 – Consolidated Law on Banking, Articles 52-bis and 52-ter) set up on an independent and autonomous digital platform and such as to guarantee the confidentiality of the whistle-blower and of the alleged person responsible for the violation;
- MiFID 2 (Directive 2014/65/EU) and MiFIR (Regulation 600/2014/EU);
- European "BRRD" Directive on Recovery plans ("Bank Recovery and Resolution Directive" 2014/59/EU);
- European Directive on data protection and movement (Directive 2016/680/EU);
- Market abuse regulation (Regulation (EU) 596/2014);
- Guidance on the management of non-performing loans (NPL) for Italy's Less Significant institutions;
- Remuneration and incentive policies and practices (Bank of Italy Circular 285/2013);
- Calendar provisioning (EU Regulation 2019/630);
- V Anti-Money Laundering Directive no. 2018/843 of the European Parliament and of the Council of 30 May 2018 on preventing the use of the financial system for money laundering purposes and terrorism financing (transposed into Italian law with Italian Legislative Decree no. 125/2019);
- Provisions on Product Oversight and Governance of banking products – POG;
- Supervisory reports: new report on outsourcing;

- Investment services – MiFID 2: sustainability preferences in adequacy assessment and the "Quick Fix" directive;
- Investment services – MiFID 2 (ESMA 35-43-3172 Guidelines);
- Anti-money laundering (EBA Guidelines);
- Benchmark regulation: plan to replace the benchmarks (Italian Legislative Decree no. 207 of 7 December 2023);
- Corporate governance provisions (Bank of Italy Guidelines);
- EBA guidelines on loan origination and monitoring (EBA/GL/2020/06).

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

(Legislative Decree no. 58/1998, Article 123-bis and "Supervisory Provisions Concerning Banks' Organisation and Corporate Governance" issued by the Bank of Italy on 4 March 2008)

Article 123-bis of the Consolidated Law on Finance specifies that the report on operations of companies issuing securities, admitted to trading on a regulated market, contains a specific section on corporate governance and ownership structures. Paragraph 5 of the same article allows companies not issuing shares that are admitted to trading on a regulated market or in multilateral trading systems, to omit the publication of information regarding paragraphs 1 and 2, excepting those of paragraph 2, letter b). As issuer of listed bonds, Mediocredito Trentino-Alto Adige S.p.A. falls within the bounds of paragraph 5 and, therefore, in line with the Bank's size and operational and organisational characteristics, provides the information required as per paragraph 2, letter b), regarding the main characteristics of the risk management and internal control systems in relation to the financial disclosure process. We want to stress that the Bank has a specific process in place for corporate governance whose review has implemented the new regulations introduced by the Bank of Italy Circular no. 285/2013 and, as far as the Bank is concerned, mainly refers to the criteria for the composition and self-assessment of the administrative bodies.

In more details, the project for corporate governance is based on the necessary statutory provisions and regulations and the drawing up of a "Corporate Governance Project" document, which is inspired by the traditional model of governance due to the reduced complexity and costs and organisational impacts related to it. This "project" establishes the rights of the shareholders, the ownership structures, the statutory and internal regulations pertaining to the Board of Directors and the Board of Statutory Auditors, the Internal Control and Risk Management System, remuneration and compliance policies, the role of the Manager responsible for preparing the company's financial reports and the Organisational model according to Legislative Decree no. 231/2001.

The Bank has also established a prudent system of delegated powers in order to ensure the necessary involvement of the Board of Directors (the strategic supervisory body) and the Executive Committee in the Bank's day-to-day management.

a) "Corporate Governance Project": information on the ownership structures.

INFORMATION ON OWNERSHIP STRUCTURES pursuant to Article 123-bis of the Consolidated Finance Act		
1.	Share capital structure	Ordinary shares
2.	Restrictions on the transfer of securities	No
3.	Major shareholdings	Yes
4.	Securities giving special rights	No
5.	Employee equity participation: mechanism for exercising voting rights	No
6.	Restrictions on voting rights	No
7.	Shareholder agreements	Yes
8.	Appointment and replacement of the Directors and statutory amendments	Yes
9.	Delegations of powers to increase share capital and authorisations of share buyback	No
10.	Change-of-control clauses	No
11.	Indemnities for Directors in the case of resignation, dismissal or termination of relations	No

b) Update and review of the internal regulations and the internal control and risk management system also with respect to the financial reporting process (paragraph 2, letter b) of Article 123-bis of Legislative Decree no. 58/1998)

With respect to the provisions of paragraph 2, letter b) of Article 123-bis of Legislative Decree no. 58/1998 (Consolidated Law on Finance), in which the Bank is required to document information regarding the main characteristics of existing risk management and internal control systems used in relation to the financial reporting process, the following is detailed.

The risk management and control system used in relation to the financial reporting process refers to administrative and accounting procedures (and to relative controls), which feed into/relate to the financial statements and fall under the competence of the Manager responsible for preparing the company's financial reports. The role of the Manager responsible for preparing the company's financial reports, jointly with the definition of the respective tasks, powers and means, is governed by the internal regulations of the Bank that has inserted this body in the wider system of internal controls in which other units of control and management operate in synergy, such as the Board of Statutory Auditors, the Internal Audit function, the Risks Committee, the Credit Risk Management Committee, the ALCO Committee, the Investment Committee, the Independent Directors Committee as well as the Compliance and Risk Management Functions.

In keeping with its own size and operational features, the Bank prepares and applies traditional administrative and accounting procedures that are deemed adequate for allowing the monitoring and mitigation of accounting risks, i.e. risks linked to specific events and transactions that could generate a mistake in accounting data from which accounting reports and financial statements originate. The integrated system of control functions (within which a significant portion of qualified and professionally trained personnel operates) and the presence of regulations and operating procedures provide an adequate safeguard for reaching the objectives of reliability and compliance of the financial disclosures.

In particular, the system in question is affected by a simple organisational Bank structure characterised by limited size and by territorial and economic sector concentration of the business: the organisational structure, in fact, makes provision for a substantial concentration of middle and back-office activity in the administrative area in which the monitoring and accounting control function operates, under the direction of the Manager responsible for preparing the company's financial reports. For key and non-key processes, this means a series of accounting and quality checks (adequately documented); it features a range of functions (mostly automated) for detecting accounting anomalies, which are monitored and corrected on a daily basis, including in collaboration with the control functions that operate using their respective systems for verifying and displaying information. The monitoring function therefore prepares the appropriate documentation in support of the accounts and accounting entries on an ongoing basis and at the time of preparation of the financial statements and report on operations, verifying that the information received from other areas of the Bank (loans and legal) is duly validated by authorised managers. The same function routinely carries out control and validation activities on an ongoing basis, mostly on the key processes of disbursement, repayment and credit valuation within the finance department (liquidity, funding and derivatives). The activities of monitoring and control are shared by the Manager responsible for preparing the company's financial reports with the functions of Internal Auditing, Compliance and Risk Management along with the Board of Statutory Auditors. Finally, the General Management carries out the function of organisational intervention, arranging new control points or operational/functional strengthening where shortcomings are highlighted as part of the risk monitoring process. The formalisation and circulation of information relating to the controls carried out and to any shortcomings noticed is mostly concentrated (for reasons of operative efficiency in a small sized bank) in the Internal Auditing function.

Following the organisational and statutory adjustments linked to the appointment of the Manager responsible for preparing the company's financial reports, in application of the Savings Law (Law no. 262/05), the Bank refers to the models generally recognised and accepted at international level (CoSO Framework and COBIT) for the design and ongoing review of the procedural and control structure.

With regard to the assessment of the adequacy of the information system, the IT Audit service is carried out by the internal control function, on the basis of reports issued by the outsources with the application of analysis and assessment methods to the COBIT standard expressed by the International Association of Information System Audits (ISACA). *The ICT risk assessment is carried out by the internal Risk Management and ICT Risk function through outsourcing to the company Meta srl.*

EXPECTED BUSINESS TREND AND R&D ACTIVITIES

The macroeconomic scenario outlined by the Bank of Italy's most recent projections¹⁵ confirms a period of modest growth for the Italian economy. GDP is expected to grow by 0.6% in 2026, before picking up moderately in 2027 (+0.8%) and 2028 (+0.9%), in line with the gradual recovery in domestic demand and investment supported by the NRRP.

The outlook for 2026 suggests that growth may slow slightly, weighed down by risks linked to trade tensions and significant global geopolitical and military instability, with inevitable repercussions on the financial, energy and technology markets, as well as on inflationary trends.

On the European financial front, the markets do not expect any further significant rate cuts from the Central Bank during 2026; however, despite the easing of monetary policy, lending trends to the productive sector have reflected demand that remains weak but stable, against a backdrop of high uncertainty and weak demand, largely underpinned by investment under the NRRP measures.

In summary, the macroeconomic forecast indicators are summarised below, and incorporate expectations substantially in line with those assumed in the process of constructing the update of the 2024-2026 business plan with regard to economic growth and inflation, while interest rates are forecast to be significantly lower:

Macroeconomic projections for the Italian economy *(percentage changes on the previous year unless otherwise indicated)*¹⁶

	2025	2026	2027	2028
GDP	+0.6	+0.6	+0.8	+0.9
Household consumption	+0.8	+0.9	+1.0	+1.0
Investments in operating assets	+3.5	+1.6	+1.4	+1.6
Total exports	+1.1	+1.3	+2.5	+3.0
Total imports	+3.0	+1.9	+3.0	+3.0
Consumer prices (HICP)	+1.7	+1.4	+1.6	+1.9
Unemployment rate ^(*)	6.2%	6.1%	6.0%	6.0%
3-month Euribor rate ^(*)	2.2%	2.0%	2.1%	2.3%
Ten-year BTP ^(*)	3.6%	3.6%	3.8%	4.1%

(*) Annual average percentages

Against this backdrop, which remains complex and fraught with uncertainty, the 2026 budget projects a growth in lending in line with that of 2025, both in terms of investment sectors and product types, with a particular focus on the lease sector, project finance related to renewable energy, and public-private partnership initiatives.

The trend in impaired loans – which have been steadily declining for years and are now at levels that are difficult to reduce further – could, on the contrary, reverse course due to the worsening macroeconomic outlook and the situation in sectors most vulnerable to crises.

In terms of funding requirements, a consolidation of funding from private customers is expected, primarily retail customers on the domestic "Conto Deposito Rifugio" platform, which will be complemented – later this year – by the launch of the new "Conto Corrente Rifugio", with the aim of gradually improving the cost of funding, increasing diversification of funding sources and, consequently, reducing liquidity risk and enhancing the stability of the funding base, as well as offering new services to customers as part of the broader process of change and innovation in the Bank's structure. The retail channel on the Raisin platform is expected to be phased out gradually and, as outlined in the ILAAP self-assessment, will serve as a contingency measure that can be activated at short notice. The European Medium-Term Note (EMTN) programme, however, will remain on hold, as will medium-term bond issues more generally, as these do not yet provide the Bank with effective market access at attractive cost levels.

Other channels concern funding through traditional links with the EIB for innovative transactions of significant amount guaranteed by SACE, in addition to Cassa Depositi e Prestiti to finance targeted lending under existing agreements. Funding provided by the Bank's shareholders is also expected to be substantially stable.

The limited use of ECB refinancing will enable the Bank to keep a large proportion of its eligible assets unencumbered, which will have a very positive impact on the encumbrance ratio and on the Bank's ability to withstand short-term liquidity stress.

¹⁵ Economic Bulletin, January 2026.

¹⁶ Macroeconomic projections for the Italian economy (coordinated Eurosystem exercise), December 2025.

With regard to the economic forecasts – subject to the points already highlighted concerning the scenario and underlying assumptions – the annual budget anticipates a significant improvement in net interest income, driven by higher returns on treasury investments and the full repricing of funding, with the associated cost stabilising at lower levels.

On the other hand, net interest and other banking income may be positively influenced by the combined effect of better revenues from services and the expected positive trends in dividend income from equity investments, as well as potential lower losses from the sale of securities in the treasury portfolio.

Operating costs are expected to rise compared with the recent past due to new investments in the banking IT system, the strengthening of the internal structure – both on the lending side and in terms of funding and the development of retail payment services – and technological infrastructure, aimed at supporting product innovation, as well as the consequent and necessary consultancy support for areas not covered by the existing structure, in addition to the drafting of the new 2026-2029 strategic plan.

The rise in costs and investments expected in 2026 marks a turning point in the Bank's development, driven by new and larger-scale investments which, whilst impacting current profitability, will ultimately create greater value for stakeholders.

Whether gross and net profitability for the financial year remains broadly in line with historical levels will depend on the level of credit risk costs. The latter is not, at present, easily quantifiable, but is likely to increase given the potential deterioration in credit quality during 2026, although this is mitigated by the policies to strengthen provisions implemented in recent financial years.

From an organisational perspective, there are plans to strengthen business support functions and the associated back-office operations in line with the Bank's operational developments, whilst ongoing efforts to train and develop staff will continue.

With respect to the regulatory adjustments of the Legislator and the Supervisory Authority as well as to compliance measures in relation to the development of new products, the Bank will be committed to the following issues with the greatest impact:

- implementation of the phases, scheduled for 2026, of the ESG action plan, in compliance with the expectations of the Supervisory Body;
- completion of ICT risk management and monitoring processes in light of the DORA Regulation;
- updates to supervisory requirements (CRD VI) and reporting by banks and other supervised intermediaries;
- preparatory phase for alignment with the new European AML framework (AMLA Authority/AML Regulation and VI AML Directive) and the gradual introduction of the provisions of the AML/CFT package, as well as work to bring legislation into line with Regulation (EU) 2024/1624 (AMLR), with a view to its full application from July 2027;
- start of the 2026-2027 transition period ahead of the implementation of the new PSD3/Open Finance/FIDA (Payments and Access to Data) regulations, with implications for onboarding, KYC, data management systems and transaction controls.

PROPOSAL FOR THE ALLOCATION OF THE NET PROFIT

The net profit for financial year 2025 amounted to €6,176,406.99.

Taking into account the guidelines in the business plan, the Bank's level of capitalisation and overall risk profiles as well as the uncertainties linked to the general economic and geopolitical context, the Board of Directors put forward the following allocation of the profit for the year.

Profit for the year	6,176,406.99
- non-distributable reserves under Article 6, paragraph 2 of Legislative Decree no. 38/2005 freed during the year	66,000.00
- allocation to non-distributable reserves under Article 6, paragraph 2 of Legislative Decree no. 38/2005	-
Distributable amount	6,242,406.99
- at the disposal of the Board of Directors for initiatives as per Article 21 of the By-laws	310,000.00
- dividend to distribute to shareholders (€0.030 for the 112,470,400 shares which corresponds to 5.769% of their nominal value)	3,374,112.00
- further allocation to the extraordinary reserve	2,558,294.99

During the 2025 financial year, the Bank participated in the public tender offer for Mediobanca (through which it acquired shares in Banca MPS) and disposed of two equity investments, all of which were held under the OCI option without recognising any capital gains or losses in the income statement; it is hereby proposed to allocate the total capital gain arising from these transactions, amounting to €4,205,459.99, to the extraordinary reserve.

Net realised capital gains (losses) on equity securities	4,205,459.99
- capital gains	4,205,459.99
- capital losses	-

It is proposed to begin paying dividends starting from 12 May 2026.

If approved, the Company equity as at 31 December 2025 as specified above, is as follows:

- capital	58,484,608.00
- additional paid-in capital	29,841,458.06
- legal reserve	20,091,007.66
- statutory reserves	76,722,698.74
- valuation reserves	29,300,383.24
- OCI option reserves on disposal (without recycling)	-
- reserve from the reclassification of risk provisions	18,936,305.62
- reserve from the FTA as per Legislative Decree no. 38/2005	2,273,855.22
- reserve from the IFRS 9 FTA	(9,746,345.90)
- reserve under IAS 8	380,695.00
- non-distributable reserve under Article 6, paragraph 2 of Legislative Decree no. 38/2005	83,299.85
Total	226,367,965.49

CERTIFICATION PURSUANT TO ARTICLE 81-TER OF CONSOB ISSUERS' REGULATION

Certification of the Financial Statements pursuant to Article 81-ter of CONSOB Regulation no. 11971 of 14 May 1999 and its subsequent amendments and additions.

1. The undersigned Stefano Mengoni, Chair of the Board of Directors and Leo Nicolussi Paolaz, Manager responsible for preparing the Mediocredito Trentino-Alto Adige S.p.A.'s financial reports, in consideration of the requirements of Article 154-*bis*, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998 herewith attest to:
 - the adequacy in relation to the characteristics of the business and
 - the actual applicationof the administrative and accounting procedures for the preparation of financial statements during 2025.
2. No significant matters arose in this respect. It should be pointed out that the bank is now subject to the obligation pursuant to Article 154-bis of Legislative Decree no. 58/98 to establish the role of "Manager responsible for preparing the company's financial reports", given that the Bank, in the context of the issues of bonds on the Euromarket (EMTN Programme – *European Medium Term Notes Programme*) has issued bonds that are listed on the Luxembourg Stock Exchange by choosing Italy as member State of origin. The assessment of the administrative and accounting procedure for preparing the financial statements for the year ended 31 December 2025 was based on procedures consistent with the reference standards adopted by the Bank for the internal control system.
3. It is also hereby certified that:
 - 3.1. the financial statements:
 - a) have been prepared in accordance with the applicable international accounting standards as endorsed by the European Union under EC Regulation no. 1606/2002 of the European Parliament and Council of 19 July 2002;
 - b) correspond to the results of the books and accounting records;
 - c) are suitable to provide a true and fair view of the statement of financial position, income statement and financial position of the issuer;
 - 3.2. the report on operations includes a reliable analysis of the performance and the operating result as well as the position of the issuer together with a description of the main risks and uncertainties it is exposed to.

Trento, 12 March 2026

The Chair
of the Board of Directors

Stefano Mengoni

Manager responsible for preparing
the company's financial reports

Leo Nicolussi Paolaz

INDEPENDENT AUDITORS' REPORT



KPMG S.p.A.
Revisione e organizzazione contabile
Via Pancaldo, 70
37138 VERONA VR
Telefono +39 045 8115111
Email it-fmauditaly@kpmg.it
PEC kpmgspa@pec.kpmg.it

(Translation from the Italian original which remains the definitive version)

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010 and article 10 of Regulation (EU) no. 537 of 16 April 2014

To the shareholders of
Mediocredito Trentino-Alto Adige S.p.A.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Mediocredito Trentino-Alto Adige S.p.A. (the "bank"), which comprise the statement of financial position as at 31 December 2025, the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of Mediocredito Trentino-Alto Adige S.p.A. as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the bank in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current year. 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.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.



Ancona Bari Bergamo
Bologna Bolzano Brescia
Cagliari Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescona Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
(Euro) 10.415.500,00 i.v.
Registro Imprese Milano Monza Brianza Lodi
e Codice Fiscale N. 00709600159
R.E.A. Milano N. 512967
Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Giovanni Battista Pirelli, 38
20124 Milano MI ITALIA



Mediocredito Trentino-Alto Adige S.p.A.
 Independent auditors' report
 31 December 2025

Measurement of loans and receivables with customers recognised under financial assets at amortised cost

Notes to the financial statements "Part A - Accounting policies": paragraph A.2.3 "Financial assets measured at amortised cost"

Notes to the financial statements "Part B - Information on the statement of financial position - Assets": section 4 "Financial assets measured at amortised cost"

Notes to the financial statements "Part C - Information on the income statement": paragraph 8.1 "Net adjustments due to credit risk relating to financial assets measured at amortised cost: breakdown"

Notes to the financial statements "Part E - Information on risks and related hedging policies": section 1 "Credit risk"

Key audit matter	Audit procedures addressing the key audit matter
<p>Lending to customers is one of the bank's core activities. Loans and receivables with customers recognised under financial assets at amortised cost totalled €1,160.1 million at 31 December 2025, accounting for 73.2% of total assets.</p> <p>Net impairment gains on loans and receivables with customers recognised in profit or loss during the year totalled €1.2 million.</p> <p>For measurement purposes, the directors make analyses that are sometimes complex in order to identify those positions that show evidence of impairment after disbursement. To this end, they consider both internal information about the performance of exposures and external information about the reference sector or the borrowers' overall exposure to banks.</p> <p>Measuring loans and receivables with customers is a complex activity, with a high degree of uncertainty and subjectivity, with respect to which the directors apply internal valuation models that consider many quantitative and qualitative factors, including historical collection flows, expected cash flows and related estimated collection dates, the existence of any indicators of impairment, the borrower's estimated repayment ability, an assessment of any guarantees, the impact of macroeconomic variables, future scenarios and risks of the sectors in which the bank's customers operate.</p> <p>The complexity of the directors' estimation process is affected by the geopolitical uncertainties, which have worsened current economic conditions and the outlook for future macroeconomic scenarios.</p> <p>For the above reasons, we believe that the measurement of loans and receivables with customers recognised under financial assets at amortised cost is a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • gaining an understanding of the bank's processes and IT environment in relation to the disbursement, monitoring, classification and measurement of loans and receivables with customers; • assessing the design and implementation of controls and performing procedures to assess the operating effectiveness of material controls, especially in relation to the identification of exposures with indicators of impairment and the calculation of impairment losses; • analysing the classification criteria used for allocating loans and receivables with customers to the relevant measurement categories (staging); • analysing the individual and collective impairment assessment policies and models used and checking the reasonableness of the main assumptions and variables included therein, as well as the adjustments made as a result of the financial effects of the geopolitical situation. We carried out these procedures with the assistance of experts of the KPMG network; • selecting a sample of exposures tested collectively and checking the correct application of the measurement models; • selecting a sample of exposures tested individually and checking the reasonableness of the indicators of impairment identified and of the assumptions about their recoverability, including considering the guarantees received; • analysing the significant changes in the categories of loans and receivables with customers and in the related impairment rates compared to the previous years' figures and discussing the results with the relevant internal departments; • assessing the appropriateness of the disclosures about loans and receivables with customers recognised under financial assets measured at amortised cost.



Mediocredito Trentino-Alto Adige S.p.A.
 Independent auditors' report
 31 December 2025

Responsibilities of the bank's directors and board of statutory auditors ("Collegio Sindacale") for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 9 of Legislative decree no. 38/05 and article 43 of Legislative decree no. 136/15 and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the bank's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the bank or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the bank's financial reporting process.

Auditors' 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 auditors' 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 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 ISA Italia, we exercise professional judgement and maintain professional scepticism 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 the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' report. However, future events or conditions may cause the bank to cease to continue as a going concern;



Mediocredito Trentino-Alto Adige S.p.A.
 Independent auditors' report
 31 December 2025

- 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 the appropriate level 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 the ethics and independence rules and standards applicable in Italy and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the measures taken to eliminate those threats or the 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 year and are, therefore, the key audit matters. We describe these matters in our auditors' report.

Other information required by article 10 of Regulation (EU) no. 537/14

On 18 April 2019, the bank's shareholders appointed us to perform the statutory audit of its financial statements as at and for the years ending from 31 December 2019 to 31 December 2027.

We declare that we did not provide the prohibited non-audit services referred to in article 5.1 of Regulation (EU) no. 537/14 and that we remained independent of the bank in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed herein is consistent with the additional report to the *Collegio Sindacale*, in its capacity as audit committee, prepared in accordance with article 11 of the Regulation mentioned above.

Report on other legal and regulatory requirements

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10 and article 123-bis.4 of Legislative decree no. 58/98

The bank's directors are responsible for the preparation of the reports on operations and on corporate governance and ownership structure at 31 December 2025 and for the consistency of such reports with the related financial statements and their compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the financial statements;
- express an opinion on the compliance of the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 with the applicable law;
- issue a statement of any material misstatements in the report on operations and certain specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98.

In our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 are consistent with the bank's financial statements at 31 December 2025.



*Mediocredito Trentino-Alto Adige S.p.A.
Independent auditors' report
31 December 2025*

Moreover, in our opinion, the report on operations and the specific information presented in the report on corporate governance and ownership structure required by article 123-bis.4 of Legislative decree no. 58/98 have been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Verona, 2 April 2026

KPMG S.p.A.

(signed on the original)

Massimo Rossignoli
Director of Audit

BOARD OF STATUTORY AUDITORS' REPORT

(pursuant to the second paragraph of Article 2429 of the Italian Civil Code)

Dear Shareholders,

Mediocredito Trentino – Alto Adige S.p.A. prepared the financial statements for the financial year 2025 in accordance with Legislative Decree no. 38 of 28 February 2005, adopting the international accounting standards outlined for drafting the individual financial statements of listed companies and banks.

The 2025 financial statements for your Bank are composed of the statement of financial position, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the notes to the financial statements. It is also accompanied by the report on operations of the Board of Directors.

Finally, the tables and the notes to the financial statements were prepared according to instructions issued by the Bank of Italy, as established under Circular no. 262 of 22 December 2005 and subsequent clarifications and updates. The Board of Directors forwarded the financial statements to the Board of Statutory Auditors in a timely manner.

The Board of Statutory Auditors states that the Bank, as an Entity of Public Interest, is subject to external auditing according to Legislative Decree no. 39 of 27 January 2010, implementing Directive 2006/43/EC, by KPMG S.p.A. pursuant to Article 2409 bis et sequitur of the Italian Civil Code. This company has been entrusted with the task of auditing the financial statements of the Bank for the nine-year period 2019-2027, under a resolution of the Shareholders' Meeting of 18 April 2019.

1. We have conducted our audit of the financial statements in accordance with the code of conduct of the Board of Statutory Auditors as laid down by the National Institute of Certified Public Accountants and Bookkeepers and under said principles we referred to all the laws currently in force in Italy that regulate the financial statements that now includes the new international accounting standards.
2. In the preparation of the financial statements, the Board of Directors made no allowances for exceptions to the application of the new IAS/IFRS principles and therefore a "statement of compliance" is included in the general part of the notes to the financial statements.
3. The financial statements for 2025 are summarised as follows:

Statement of financial position

Total assets		€	1,585,564,919.36
Payables and provisions	€	1,355,512,841.87	
Share capital and reserves	€	<u>223,875,670.50</u>	€ 1,579,388,512.37
Profit for the year			<u>€ 6,176,406.99</u>

Income statement

Net interest and other banking income		€	20,492,644.24
Value adjustments		€	1,221,394.49
Operating costs		€	(13,438,195.30)
Revenues from equity investments, property, plant and equipment and intangible assets		€	(74,024.09)
Income taxes on current operations		€	(2,025,412.35)
Profit for the year		€	<u>6,176,406.99</u>

4. During the course of 2025, there were changes to the Bank's equity owing to:
 - the release of the non-distributable reserve pursuant to Article 6(2) of Legislative Decree no. 38/2005 in the amount of €65,000.00, corresponding to the write-down of equity-accounted investments (Paradisidue Srl);
 - the recognition of €2,795,048.71 to the reserves of part of the profit for the year 2024 (portion not distributed);
 - the allocation to the extraordinary reserve of net losses from the sale of equity investments held under the OCI option, suspended in the realisation reserve in 2024, for a total of €2.94;
 - the recognition using the valuation reserves of a positive €12,040,187.12 due to the adjustment of the value of financial assets measured at fair value through other comprehensive income and defined benefit plans (actuarial gains/losses);

- the recognition using the realisation reserves of a positive €4,205,459.99 deriving from the sale of equity investments held under the OCI option regime;
- the allocation to the fund as per Article 21 of the By-laws of €305,000.00;
- as indicated above, a net profit of €6,176,406.99 was recognised for the year 2025.

Therefore, the Bank's equity as at 31 December 2025 amounted to €230,052,077.49, comprising:

- Share Capital – item 160:	€	58,484,608.00
- Additional paid-in capital – item 150:	€	29,841,458.06
- Reserves – item 140:	€	106,249,221.20
- Valuation reserves – item 110:	€	29,300,383.24
- Profit for the year – item 180:	€	6,176,406.99

5. Own Funds as at 31 December 2025 were calculated applying the regulations introduced by Directive no. 2013/36/EU related to the prudential supervision of banks (CRD IV – known as Basel III).

The result achieved shows how, on the whole, own funds increased by €15,130,813.41 as at 31 December 2025, compared to 31 December 2024, therefore, standing at €219,841,162.73: the Total Capital Ratio as at 31 December 2025 stood at 27.26% compared to 26.23% in 2024. The Board of Statutory Auditors considers this equity adequate in terms of amount and quality, with respect to total risks assumed and suitable for allowing future growth of the Bank.

6. The Board of Statutory Auditors acknowledges the disclosures provided by the Board of Directors in relation to the adoption of the going concern assumption in preparing the financial statements, the illustration of risk measurement and management systems and the level of risk exposure, the testing of assets for impairment and uncertainties in the use of estimations of the values booked to the financial statements. More specifically, it verified that the method used for the valuation of financial assets is adequate in measuring the Bank's credit risk and that the loan adjustments coherently reflect the current risk with particular reference to the prospective effects of the current geopolitical situation. The Board of Statutory Auditors considers this disclosure and related processes adequate to the transparency needs, also in relation to the indications included in the documents issued by the Italian Supervisory Authorities. In particular, the valuation process of financial assets, guarantees issued and commitments to disburse funds produced the following results in relation to the income statement:

	Adjust.	Write-backs	Net effect
Loans (analytical adjustments)	(6,180,851.24)	5,003,058.39	(1,177,792.85)
Loans (net collective adjustments)	(2,689,176.72)	5,351,070.84	2,661,894.12
HTC debt securities (analytical)	(273,451.03)	-	(273,451.03)
HTC debt securities (collective)	(18,264.58)	34,411.71	16,147.13
HTCS debt securities (collective)	(21,833.06)	16,985.10	(4,847.96)
Total item 130.	(9,183,576.63)	10,405,526.04	1,221,949.41
Profits/losses from contractual changes – item 140.	(738.48)	183.56	(554.92)

Other components of the reclassified financial statements:

"Time reversal" write-backs – item 10	-	78,660.73	78,660.73
Adjustments to interest component – item 10	(142,986.46)	-	(142,986.46)
Net gains on the sale of loans and advances – item 100	-	1,703,815.60	1,703,815.60
Fair value change of investments in UCITS – item 110	(358,312.78)	498,629.69	140,316.91
Changes in fair value of FVTPL debt securities – item 110	(26.72)	10,729.65	10,702.93
Provisions for legal disputes on loans and advances – item 170.b	(471,064.00)	100,000.00	(371,064.00)
Provisions for commitments and guarantees issued – item 170.a	-	3,374.59	3,374.59
Value adjustments on equity investments – item 220.	(66,000.00)	-	(66,000.00)
Total	(10,222,705.07)	12,800,919.86	2,578,214.79

7. The Board of Statutory Auditors approved the criteria adopted for determining the amounts of IRES (Corporate income tax) and IRAP (Regional business tax) relating to the year in application of the current tax regulations. The Board of Statutory Auditors acknowledges that in compliance with the new rules, the

financial statements show prepaid and deferred taxes in relation to the temporary differences between the carrying amount of an asset or liability and its value for tax purpose, as better explained in the notes to the financial statements.

8. In application of the reference regulations and provisions, the Bank has adopted regulations aimed at governing the investments held by banks, the risk assets and the conflicts of interest in respect of related parties (Bank of Italy Circular no. 285/13, Third Part, Chapter 1) as well as personal cross investments (known as interlocking prohibition to protect competition, pursuant to Article 36 of Law Decree no. 201/2011). The Board of Statutory Auditors considers the organisational and risk safeguards identified by the Board of Directors of the Bank to be appropriate.
9. In compliance with the Bank of Italy's provisions on business continuity and disaster recovery, the Bank duly updated internal regulations and ran, in the manner agreed with the IT system outsourcer, Allitude, disaster recovery functionality tests with a positive outcome.
10. Information pursuant to Article 10 of Law no. 72/83 on the subject of monetary revaluation of property, plant and equipment is provided in the notes to financial statements relative to revalued assets.
11. During the year, the Board of Statutory Auditors, in fulfilment of its duties, controlled the Bank's administration in the year under review. In 2025, the Board of Auditors held seven meetings and oversaw the observance of the laws and By-laws by attending all Shareholders' and Board of Directors' meetings. The meetings were held in compliance with the statutory requirements, laws and regulations governing their operation. The Board of Statutory Auditors also verified that no imprudent or hazardous transactions were carried out, or transactions involving a potential conflict of interests, contrary to the resolutions passed by the Shareholders' Meeting, or which may compromise the integrity of the company's assets and minority rights.

It also verified the correct application of the Bank of Italy Circular no. 285/2013 regarding corporate governance, with reference to the adequacy of the quali-quantitative composition of the company bodies, the self-assessment of the latter and public disclosure.

12. The Board of Statutory Auditors oversaw the adequacy of the organisational structure, limited to those aspects within its competence, of the internal control system and of the administrative-accounting system and the reliability of the latter in giving a true and fair view of the operations of the Bank. In this regard, pursuant to Article 81-ter of the CONSOB Issuers' Regulation, the Board of Statutory Auditors acknowledges the certification prepared by the Manager responsible for preparing the company's financial reports, submitted to the Board of Directors on 12 March 2026 and attached to these Financial Statements.

The Board of Statutory Auditors oversaw the observance of the Bank's sound management principles, also carrying out an assessment of the organisational system during the year under review, which was used by the functions in charge of monitoring credit, market, interest rate, liquidity, legal and compliance risks that are specific to banking activities. The Board of Statutory Auditors followed the ICAAP process in relation to risk control and management, which shows that the Company's capital is adequate even in a stress scenario; the ILAAP process, which shows the adequacy of liquidity risk management. It assessed regulatory compliance and consistency with the strategies and reference framework for the risk of the Restructuring Plan and of the Multi-annual plan for the management of NPLs.

As Supervisory Body, it monitored the observance of the regulation pursuant to Legislative Decree no. 231/2001 regarding the administrative liability of legal entities and the anti-money-laundering regulation pursuant to Legislative Decree no. 231/2007.

Lastly, it monitored compliance with the regulations governing professional services and investment activities with the public, and the overall adequacy of the controls of the risk of money laundering, for which no acts or events were highlighted, which came to light during the performance of their duties, which may represent a breach of the regulatory provisions.

13. In 2025 no complaints (improper actions) were submitted to the Board of Statutory Auditors pursuant to Article 2408 of the Italian Civil Code.
14. The Board of Statutory Auditors has constantly kept in touch with the person in charge of external auditing, during which no relevant data or information came to light.
15. The report on operations that accompanies the financial statements is drafted in compliance with the current regulations. In the opinion of the Board of Statutory Auditors, the financial statements under review provide as a whole a correct representation of the financial position, results of operations, and cash flows of the Bank for the year ended 31 December 2025 in compliance with the regulations governing the financial statements. This was illustrated in detail by the Board of Directors in the report on operations and in the notes to the financial statements, providing Shareholders and third parties with adequate information in relation to the Bank's transactions, including transactions with related parties. The Board of Statutory Auditors can also confirm that the financial statements include a description of the main risks

and uncertainties to which the company is exposed. The report on operations by the Board of Directors includes all the main events that characterised the year and it focuses on expected business trends.

16. The Board of Statutory Auditors acknowledged the report of the independent auditors KPMG S.p.A. of 2 April 2026 for the financial statements as at 31 December 2025, which contains no significant observations. Based on the work done as independent auditors of the financial statements as at 31 December 2025, no elements have come to the attention of the auditors to date that suggests that there are significant shortcomings in the internal control system in relation to the financial reporting process as at said date.

Dear Shareholders,

As a result of the above and considering the information provided by the independent auditors KPMG S.p.A., the Board of Statutory Auditors states that it has not identified any violations of the law or instances of non-compliance, and submits to the Shareholders' Meeting a favourable opinion regarding the approval of both the financial statements and the proposal for the allocation of the profit for the year expressed by the Board of Directors.

Trento, 2 April 2026

Patrick Bergmeister
Chair

Hildegard Oberleiter
Standing auditor

Emiliano Dorighelli
Standing auditor

COMPANY FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION – ASSETS

Assets	31/12/2025	31/12/2024
10. CASH AND CASH EQUIVALENTS	102,766,365	149,414,159
20. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	24,311,857	23,471,040
a) FINANCIAL ASSETS HELD FOR TRADING	1,487,842	1,278,913
b) FINANCIAL ASSETS DESIGNATED AT FAIR VALUE	-	-
c) OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE	22,824,015	22,192,127
30. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	240,697,848	164,904,409
40. FINANCIAL ASSETS MEASURED AT AMORTISED COST	1,174,024,861	1,189,800,614
a) LOANS AND ADVANCES TO BANKS	13,889,854	12,144,199
b) LOANS AND ADVANCES TO CUSTOMERS	1,160,135,007	1,177,656,415
70. EQUITY INVESTMENTS	419,000	485,000
80. PROPERTY, PLANT AND EQUIPMENT	10,297,663	7,863,681
90. INTANGIBLE ASSETS	7,512	-
of which:		
- goodwill	-	-
100. TAX ASSETS	7,998,661	8,820,950
(a) current	2,623,042	2,184,031
(b) deferred	5,375,619	6,636,917
pursuant to Law no. 214/2011	2,491,788	3,603,706
110. NON-CURRENT ASSETS AND GROUPS OF ASSETS HELD FOR SALE	-	-
120. OTHER ASSETS	25,041,152	34,904,802
TOTAL ASSETS	1,585,564,919	1,579,664,655

The Financial Statements were drawn up in Euro units with no decimal numbers as figures were previously rounded.

STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

Equity and liabilities	31/12/2025	31/12/2024
10. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST	1,328,570,651	1,340,999,840
a) DUE TO BANKS	156,147,992	90,684,582
b) DUE TO CUSTOMERS	1,151,301,124	1,188,785,286
c) DEBT SECURITIES IN ISSUE	21,121,535	61,529,972
20. FINANCIAL LIABILITIES HELD FOR TRADING	1,433,943	1,247,199
60. TAX LIABILITIES	7,491,434	5,956,977
(a) current	182,227	-
(b) deferred	7,309,207	5,956,977
80. OTHER LIABILITIES	15,039,104	17,881,442
90. PROVISION FOR SEVERANCE INDEMNITIES	1,013,137	1,093,490
100. PROVISIONS FOR RISKS AND CHARGES	1,964,573	1,513,983
(a) commitments and guarantees issued	119,241	122,615
(b) pension fund and similar provisions	-	-
(c) other provisions	1,845,332	1,391,368
110. VALUATION RESERVES	29,300,383	17,260,196
140. RESERVES	106,249,221	99,313,710
150. ADDITIONAL PAID-IN CAPITAL	29,841,458	29,841,458
160. SHARE CAPITAL	58,484,608	58,484,608
180. NET PROFIT (LOSS) FOR THE PERIOD (+/-)	6,176,407	6,071,752
TOTAL EQUITY AND LIABILITIES	1,585,564,919	1,579,664,655

The Financial Statements were drawn up in Euro units with no decimal numbers as figures were previously rounded. The algebraic sum of discrepancies due to rounding off is equal to +€1 and is booked to "other liabilities".

INCOME STATEMENT

Items		31/12/2025	31/12/2024
10	INTEREST INCOME AND SIMILAR REVENUES	51,469,788	65,991,079
	of which interest income calculated with the effective interest method	48,469,878.01	61,228,749
20	INTEREST EXPENSE AND SIMILAR CHARGES	(35,557,342)	(48,694,094)
30	NET INTEREST INCOME	15,912,446	17,296,985
40	FEE AND COMMISSION INCOME	2,418,753	2,740,611
50	FEE AND COMMISSION EXPENSES	(861,750)	(939,214)
60	NET FEE AND COMMISSION INCOME (EXPENSE)	1,557,004	1,801,397
70	DIVIDENDS AND SIMILAR INCOME	4,059,683	3,858,045
80	NET TRADING INCOME	152,184	93,129
100	GAINS (LOSSES) ON DISPOSAL OR REPURCHASE OF:	(1,339,693)	(4,616,672)
	a) financial assets measured at amortised cost	(973,463)	(3,843,342)
	b) financial assets measured at fair value through other comprehensive income	(366,230)	(773,330)
	c) financial liabilities	0	0
110	NET CHANGE IN OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	151,020	21,901
	a) financial assets and liabilities designated at fair value	-	-
	b) other financial assets mandatorily measured at fair value	151,020	21,901
120	NET INTEREST AND OTHER BANKING INCOME	20,492,643	18,454,785
130	NET ADJUSTMENTS DUE TO CREDIT RISK TO:	1,221,949	2,854,325
	a) financial assets measured at amortised cost	1,226,797	2,838,278
	b) financial assets measured at fair value through other comprehensive income	(4,848)	16,047
140	Profits/losses from contractual changes without derecognitions	(555)	88
150	NET INCOME FROM FINANCIAL ACTIVITIES	21,714,037	21,309,198
160	ADMINISTRATIVE COSTS:	(13,676,928)	(13,967,133)
	a) payroll	(8,448,257)	(8,351,817)
	b) other administrative costs	(5,228,671)	(5,615,316)
170	NET PROVISIONS FOR RISKS AND CHARGES	(697,762)	(347,216)
	a) commitments and guarantees issued	3,375	(12,850)
	b) other net accruals	(701,137)	(334,366)
180	NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT	(445,804)	(451,406)
190	NET ADJUSTMENTS TO INTANGIBLE ASSETS	(1,516)	(23,142)
200	OTHER OPERATING CHARGES/INCOME	1,383,817	1,254,211
210	OPERATING COSTS	(13,438,194)	(13,534,686)
220	PROFIT (LOSS) FROM EQUITY INVESTMENTS	(66,000)	(65,000)
250	GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS	(8,024)	9,187
260	PROFIT (LOSS) ON CURRENT OPERATIONS BEFORE INCOME TAXES	8,201,819	7,718,699
270	INCOME TAXES ON CURRENT OPERATIONS	(2,025,412)	(1,646,947)
280	PROFIT (LOSS) FROM CURRENT OPERATIONS AFTER TAX	6,176,407	6,071,752
290	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS AFTER TAX	-	-
300	PROFIT (LOSS) FOR THE YEAR	6,176,407	6,071,752

The Financial Statements were drawn up in Euro units with no decimal numbers as figures were previously rounded. The algebraic sum of discrepancies due to rounding off of income statement items is equal to +€2 and is booked to "Other operating charges/income".

STATEMENT OF COMPREHENSIVE INCOME

Items	31/12/2025	31/12/2024
10. NET PROFIT (LOSS) FOR THE PERIOD	6,176,407	6,071,752
Other income components net of taxes without reversal to income statement		
20. EQUITY SECURITIES DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	13,701,836	6,129,241
70. DEFINED BENEFIT PLANS	7,188	6,663
Other income components net of taxes with reversal to income statement		
120. CASH FLOW HEDGES	-	-
140. FINANCIAL ASSETS (OTHER THAN EQUITY SECURITIES) MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	2,536,623	1,165,279
170. TOTAL OTHER INCOME COMPONENTS NET OF TAXES	16,245,647	7,301,182
180. COMPREHENSIVE INCOME (Item 10+170)	22,422,054	13,372,935

STATEMENT OF CHANGES IN EQUITY 31/12/2024 – 31/12/2025

	Balance as at 31/12/2024	Changes in opening balance	Balance as at 1/1/2025	Allocation of the previous year's result		Changes in reserves	Change for the year					Equity as at 31/12/2025	
				Reserves	Dividends and other allocations			Transaction booked to equity					
								Issue of new shares	Purchase of treasury	Extraordinary distribution of dividends	Change in equity instruments		Derivatives on treasury shares
Share capital:	58,484,608		58,484,608									58,484,608	
a) ordinary shares	58,484,608		58,484,608									58,484,608	
b) other shares	-		-									-	
Additional paid-in capital	29,841,458		29,841,458									29,841,458	
Reserves:	99,313,710		99,313,710	+2,730,052							4,205,460	106,249,221	
a) profit	99,313,710		99,313,710	+2,730,052							4,205,460	106,249,221	
- legal reserve	20,091,008		20,091,008									20,091,008	
- statutory reserves ¹⁷	67,163,895		67,163,895	+2,795,049								69,958,944	
- other profit reserves ¹⁸	12,058,807		12,058,807	-64,997							4,205,460	16,199,270	
b) other	-		-									-	
Valuation reserves:	17,260,196		17,260,196								12,040,187	29,300,383	
a) at FV through OCI	13,323,797		13,323,797								12,032,999	25,356,796	
b) cash flow hedge	-		-									-	
c) others	3,936,397		3,936,397								7,188	3,943,585	
- Severance indemnities	-381,934		-381,934								7,188	-374,746	
- property reval. Law no. 413/91	745,631		745,631									745,631	
- property reval. Law no. 342/2000	3,572,701		3,572,701									3,572,701	
Equity instruments													
Treasury shares													
Net profit (loss) for the period	6,071,752		6,071,752	-2,730,052	-3,341,701						6,176,407	6,176,407	
Equity	210,971,724		210,971,724		-3,341,701						22,422,054	230,052,078	

STATEMENT OF CHANGES IN EQUITY 31/12/2023 – 31/12/2024

	Balance as at 31/12/2023	Changes in opening balance	Balance as at 1/1/2024	Allocation of the previous year's result		Changes in reserves	Change for the year					Equity as at 31/12/2024	
				Reserves	Dividends and other allocations			Transaction booked to equity					
								Issue of new shares	Purchase of treasury	Extraordinary distribution of dividends	Change in equity instruments		Derivatives on treasury shares
Share capital:	58,484,608		58,484,608									58,484,608	
a) ordinary shares	58,484,608		58,484,608									58,484,608	
b) other shares	-		-									-	
Additional paid-in capital	29,841,458		29,841,458									29,841,458	
Reserves:	96,233,512		96,233,512	+3,080,201								99,313,710	
a) profit	96,233,512		96,233,512	+3,080,201								99,313,710	
- legal reserve	20,091,008		20,091,008									20,091,008	
- statutory reserves ¹⁹	64,333,395		64,333,395	+2,830,500								67,163,895	
- other profit reserves ²⁰	11,809,109		11,809,109	+249,701								12,058,807	
b) other	-		-									-	
Valuation reserves:	9,959,011		9,959,011								7,301,185	17,260,196	
a) at FV through OCI	6,029,276		6,029,276								7,294,523	13,323,797	
b) cash flow hedge	-		-									-	
c) others	3,929,736		3,929,736								6,663	3,936,397	
- Severance indemnities	-388,596		-388,596								6,663	-381,934	
- property reval. Law no. 413/91	745,631		745,631									745,631	
- property reval. Law no. 342/2000	3,572,701		3,572,701									3,572,701	
Equity instruments													
Treasury shares													
Net profit (loss) for the period	6,069,490		6,069,490	-3,080,201	-2,989,290						6,071,752	6,071,752	
Equity	200,588,079		200,588,079		-2,989,290						13,372,935	210,971,724	

17 The item includes the non-distributable reserve under Article 6, paragraph 2 of Legislative Decree no. 38/2005.

18 "Other profit reserves" include the reserve from the first-time adoption of IAS/IFRS (including therein provisions for general bank risks and loan risks) and the reserve from the first-time adoption of IFRS 9.

19 The item includes the non-distributable reserve under Article 6, paragraph 2 of Legislative Decree no. 38/2005.

20 "Other profit reserves" include the reserve from the first-time adoption of IAS/IFRS (including therein provisions for general bank risks and loan risks) and the reserve from the first-time adoption of IFRS 9.

CASH FLOW STATEMENT (INDIRECT METHOD)

A. OPERATING ACTIVITIES	2025	2024
1. Operations	+7,723,891	+10,220,199
- profit (loss) for the year	+6,176,407	+6,071,752
- capital gains/losses on financial assets held for trading and on financial assets/liabilities measured at fair value through profit or loss	-173,204	-14,672
- capital gains/losses on hedging activities	-	-
- net adjustments due to credit risk	+1,667,375	+5,522,026
- net adjustments to property, plant and equipment and intangible assets	+447,320	+474,548
- net provision for risks and charges and other costs/revenues	+36,768	+38,791
- unpaid duties, taxes and tax credits	+2,025,450	+1,646,947
- other adjustments	-2,456,225	-3,519,194
2. Cash flow generated/absorbed by financial assets	-49,157,417	+214,985,959
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	-480,869	-2,011,945
- financial assets measured at fair value through other comprehensive income	-73,722,514	+80,594,115
- financial assets measured at amortised cost	+16,768,561	+139,189,939
- other assets	+8,277,405	-2,786,150
3. Cash flow generated/absorbed by financial liabilities	+1,137,451	-121,161,127
- financial liabilities measured at amortised cost	-11,748,182	-131,413,435
- financial liabilities held for trading	-	-
- financial liabilities designated at fair value	-	-
- other liabilities	+12,885,633	+10,252,308
Cash flow generated/absorbed by operating activities	-40,296,075	+104,045,031
B. INVESTING ACTIVITIES	2025	2024
1. Cash flow generated by	+38,359	+9,244
- sale of equity investments	-	-
- dividends from equity investments	-	-
- sale of property, plant and equipment	+38,359	+9,244
- sale of intangible assets	-	-
- sale of company divisions	-	-
2. Cash flow absorbed by	-3,048,375	-453,626
- purchase of equity investments	-	-
- purchase of property, plant and equipment	-3,039,347	-453,626
- purchase of intangible assets	-9,028	-
- purchase of company divisions	-	-
Net cash flow generated/absorbed by investing activities	-3,010,016	-444,382
C. FINANCING ACTIVITIES	2025	2024
- issue/purchase of treasury shares	-	-
- issue/purchase of equity instruments	-	-
- distribution of dividends and other objectives	-3,341,701	-2,989,290
Net cash flow generated/absorbed by financing activities	-3,341,701	-2,989,290
NET CASH FLOW GENERATED/ABSORBED DURING THE YEAR	-46,647,794	+100,611,357

RECONCILIATION

Statement of financial position items	2025	2024
Cash and cash equivalent at the beginning of the year	149,414,159	48,802,802
Total net cash flow generated/absorbed during the year	-46,647,794	+100,611,357
Cash and cash equivalents: effect of changes in exchange rates	-	-
Cash and cash equivalents at the end of the year	102,766,365	149,414,159

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS	91
PART A ACCOUNTING POLICIES	93
A.1 General part	93
A.2 Illustration of the main items in the financial statements	95
A.3 Information on transfers of financial assets between portfolios	107
A.4 Fair value disclosure	107
PART B INFORMATION ON THE STATEMENT OF FINANCIAL POSITION	111
Assets	111
Liabilities	128
Other information	134
PART C INFORMATION ON THE INCOME STATEMENT	137
PART D COMPREHENSIVE INCOME	150
PART E INFORMATION ON RISKS AND RELATED HEDGING POLICIES	151
Introduction	151
Section 1 – Credit risk	151
Section 2 – Market risk	171
Section 3 – Derivative instruments and hedging policies	173
Section 4 – Liquidity risk	176
Section 5 – Operational risks	180
PART F INFORMATION ON EQUITY	183
Section 1 – Equity	183
Section 2 – Own funds and capital ratios	184
PART H – RELATED PARTY TRANSACTIONS	185
PART L – SEGMENT REPORTING	186
PART M – DISCLOSURE ON LEASES	188
Section 1 – Lessee	188
Section 2 – Lessor	188
ANNEXES	191

PART A ACCOUNTING POLICIES

A.1 GENERAL PART

SECTION 1 – STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

The financial statements of Mediocredito Trentino - Alto Adige S.p.A. were prepared in compliance with the applicable International Accounting Standards (IAS/IFRS) issued by the International Accounting Standards Board® and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Commission under EU regulation no. 1606/2002.

They were prepared according to instructions issued by the Bank of Italy in the exercise of its power, as these were established with Article 9 of Legislative Decree no. 38/2005, with Circular no. 262 of 22 December 2005 and subsequent amendments. The eighth update is currently in force, issued on 17 November 2022 and integrated with the Communication of 14 March 2023 of the Bank of Italy concerning the impacts of COVID-19 and the measures to support the economy.

SECTION 2 – GENERAL PRINCIPLES OF PREPARATION

General aspects

The financial statements comprise the Statement of financial position, the Income statement, the Statement of comprehensive income, the Statement of changes in equity, the Cash flow statement²¹ and Notes to the financial statements. They are also accompanied by a Board of Directors' report on operations, the economic results and the Bank's financial position.

The financial statements was drawn up in euros, while data in the Notes to the financial statements are expressed in thousands of euro, based on the application of the general principles set forth by IAS 1: to this end, we refer to the prospects of the company continuing as a going concern (par. 23), the accrual basis of accounting (par. 25 and 26), the consistency in the presentation and classification of items (par. 27), the relevance and aggregation of items, the prohibition regarding offsetting, comparative information as well as the specific accounting standards illustrated in Part A.2 in these Notes to the financial statements.

The Communication of 14 March 2023 of the Bank of Italy concerning the impacts of COVID-19 and the measures to support the economy was considered.

There were no departures from the application of the IAS/IFRS.

For completeness, with regard to the formats defined by the Bank of Italy, the Notes to the financial statements sometimes contain the titles for the sections that relate to the items that are not accompanied by an amount, either for the year the financial statements cover or for the previous year, if this is deemed important for providing better information.

Accounting standards

In accordance with IAS 8 and Bank of Italy Circular no. 262/2005, the international accounting standards (IAS/IFRS) — including those not applicable to the Bank — endorsed by the European Union during 2025 are set out below, together with those approved but not yet effective and those issued by the International Accounting Standards Board but not yet endorsed at EU level.

IAS/IFRS standards endorsed in 2025, with mandatory application from 2025

No IAS/IFRS standards requiring mandatory application to the 2025 financial statements were endorsed during the financial year.

IAS/IFRS standards endorsed in 2025, due to come into force at a later date

EU Regulation	Standards concerned	Summary	OJEU date	EU entry into force	Date of application
Reg. EU 2025/1047	IFRS 9, IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	28/05/2025	2025	01/01/2026
Reg. EU 2025/1266	IFRS 9, IFRS 7	Contracts Referencing Nature-dependent Electricity	01/07/2025	2025	01/01/2026
Reg. EU 2025/1331	IFRS 1, 7, 9, 10; IAS 7	Annual Improvements Vol. 11	10/07/2025	2025	01/01/2026

IAS/IFRS standards issued in 2025 but not yet endorsed

EU status 2025	Standards concerned	Summary	IASB application
Not endorsed	IFRS 18	Presentation & Disclosure	01/01/2027
Not endorsed	IFRS 19	Subsidiaries without Public Accountability	01/01/2027
Not yet applicable	IFRS 9/7 Amend.	Classification & Measurement	01/01/2026
Not endorsed	IAS 21 Amend.	Hyperinflationary Currency	01/01/2027

21 The cash flow statement is drawn up by applying the "indirect" method on the basis of which the cash flows from operating activities are represented by the result for the year adjusted for the effects of non-monetary transactions. The cash flows are subdivided into those deriving from operating, investing and financing activities.

Going concern assumption

The international accounting standards – recalled by Bank of Italy, CONSOB and Isvap joint coordination forum on applying IAS/IFRS with document no. 2 of 6 February 2009 "Disclosure in financial reports on the going concern assumption, financial risks, impairment tests of assets and uncertainties on the use of estimates", and also with document no. 4 of 3 March 2010 "Disclosure in financial reports on impairment tests of assets, clauses in financial debt contracts, debt restructuring and on the fair value hierarchy" – require Directors to make an especially accurate assessment of whether the going concern assumption is appropriate.

To this end, paragraphs 23-24 of IAS 1 state that: "When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. Financial statements must be prepared on a going concern basis unless management either intend to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In making its assessment, when management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties must be disclosed. When financial statements are not prepared on a going concern basis, that fact must be disclosed together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern".

Forecasts regarding economic growth and financial market trends – which remain perpetually uncertain in light of ongoing geopolitical, military and trade tensions – necessitate the ongoing conduct of thorough assessments as to whether the going concern assumption remains valid.

Relating to this, the directors of Mediocredito Trentino-Alto Adige S.p.A., after examining the risks and uncertainties that are correlated to the current macroeconomic context, confirm that they are reasonably certain that the Company will continue to operate in the near future. Consequently, they prepared the financial statements as at 31 December 2025 based on the assumption it will continue as a going concern.

They also confirm that they have not observed any symptom that might cast doubts on the ongoing concern assumption and the actual income generating capacity, either in the economic and financial structure or in the business trend.

SECTION 3 – EVENTS AFTER THE REPORTING DATE

In the period between 31 December 2025 and the date of approval of these financial statements, there were no new internal events that have occurred such as to appreciably impinge on the Bank's activities, economic results and portfolio risk level. It should be noted, however, that the unfolding geopolitical and military developments (in Ukraine and the Middle East), as well as macroeconomic trends, may, in the near future, lead to a further slowdown in the economy, with possible repercussions on the financial and capital position of the banking system and, consequently, on the Bank as well. These effects may not yet be estimated from a quantitative point of view, but the Bank is monitoring the customer portfolio components that are more vulnerable to the current critical issues.

For other information, please refer to the Report on Operations, and more specifically, the chapter "The Bank in 2025" and "Expected Business Trend".

SECTION 4 – OTHER ASPECTS

Parent company

Exemption from the obligation to prepare consolidated financial statements: the Bank does not prepare consolidated financial statements as the consolidation of the subsidiary Paradisidue S.r.l. (balance sheet assets as at 31 December 2025 of €7.6m) is not deemed significant to the improvement of the disclosures provided (*IAS 8 and paragraphs 26, 29, 30 and 44 of the "Systematic Framework for the Preparation and Presentation of Financial Statements" or "Framework"*). The subsidiary owns buildings, whose value, appropriately estimated, corresponds to market values and the equity investment is booked in the financial statements of the Bank at equity.

Auditing

The Bank as an Entity of Public Interest is subject to statutory auditing according to Legislative Decree no. 39 of 27 January 2010, in implementation of directive 2006/43/EC, and the appointed auditing company is KPMG S.p.A. Said company had been entrusted with the task of auditing the financial statements of the Bank for the nine-year period 2019-2027, by means of resolution of the Shareholders' Meeting of 18 April 2019.

Pursuant to Article 2427, paragraph 1, 16-*bis*, the agreed fees for 2025 are indicated below:

- Statutory audit of annual accounts (including limited audit of the condensed half-yearly financial statements): €60,955 plus VAT, including expenses and CONSOB contribution up to 10% of the fees;
- National guarantee fund: €700 plus VAT.

Unusual items

During the year, no unusual items were recognised which – due to their nature, extent or effect – affected assets, liabilities, equity, net income or financial flows.

Risk and uncertainties due to the use of estimates

The Bank completed the estimation processes that support the carrying amount of the most significant items recognised in the financial statements as at 31 December 2025, as set out in the current accounting standards and reference regulations. These processes are largely based on the estimated future possible recovery concerning the values recorded in the financial statements in accordance with the rules laid down by the current regulations and are carried out based on the going concern assumption, i.e. leaving aside hypotheses regarding forced liquidation of the items being measured. For this information we refer you to the report on operations and the Notes to the financial statements, Part E.

The checks carried out by internal operational and control functions as well as the control body support the carrying amounts of the items mentioned as at 31 December 2025.

Changes in accounting estimates

During the year, the Bank did not make any changes in accounting estimates.

Disclosure pursuant to paragraphs 125, 126 et sequitur of Law no. 124/2017.

With reference to the disclosures required under paragraphs 125, 126 et seq. of Law no. 124/2017, it is hereby noted that in 2025 the Bank received a contribution relating to sports sponsorships carried out in the 2023 financial year, amounting to €10,000.00, which was offset via an F24 tax form on 16 April 2025.

Apart from the above, it did not receive any other grants, contributions, paid assignments or economic benefits of any kind from public administrations or companies directly or indirectly controlled or invested in by the same.

The guarantee granted in the interest of the Bank and in favour of the EIB by the Autonomous Region of Trentino – South Tyrol (a shareholder of the Bank), which was returned in March 2025, was priced at market terms and did not constitute State aid.

Note that, in compliance with the provisions laid down for the compilation of this disclosure, transactions carried out with Central Banks for financial stability purposes or transactions designed to facilitate the transmission mechanism of monetary policy are excluded.

Disclosure required by IFRS 7 related to the interest rate benchmark reform

On 15 January 2020, Regulation (EU) no. 34 was published, which endorsed the amendments to IFRS 9, IAS 39 and IFRS 7 issued by the IASB on 26 September 2019, as part of the project for the "Interest rate benchmark reform". The aforementioned amendments are aimed at seeking solutions to reduce the effects on the financial statements of the interest rate reform, with particular reference to the potential impacts before the replacement of the benchmarks.

In this regard, please note that the Bank does not have any hedging transactions in place and therefore does not apply the exceptions set forth in paragraphs 6.8.4 – 6.8.12 of IFRS 9, or paragraphs 102D – 102N of IAS 39.

Risks, uncertainties and impacts of the COVID-19 epidemic

The Bank believes that the Covid-19 epidemic, which has now become endemic but less infectious, no longer has a substantial impact on the real economy and, in particular, on its activities.

A.2 ILLUSTRATION OF THE MAIN ITEMS IN THE FINANCIAL STATEMENTS

SECTION 1. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

1.1 Classification criteria

This category includes financial assets other than those recognised as Financial assets measured at fair value through other comprehensive income and Financial assets measured at amortised cost. In particular, the item includes:

- financial assets held for trading, mainly represented by debt and equity securities and by the positive value of derivative contracts held for trading as well as derivative instruments with a positive fair value that are related to assets or liabilities measured at fair value;
- other financial assets mandatorily measured at fair value, represented by financial assets that do not meet the requirements for measurement at amortised cost or at fair value through other comprehensive income. These are financial assets whose contractual terms do not exclusively envisage capital repayments and interest payments on the amount of capital to be repaid (known as "SPPI test" not passed) or that are not held within the framework of a business model whose objective is the possession of assets aimed at collecting contractual financial flows ("Hold to Collect" Business model) or whose objective is achieved both through the collection of contractual financial flows and through the sale of financial assets ("Hold to Collect and Sell" Business model);
- financial assets designated at fair value, i.e. financial assets thus defined at the time of initial recognition and where the requirements are met. In relation to this case, an entity may irrevocably designate a financial asset as measured at fair value through profit or loss at the time of recognition if, and only if, by doing so, it eliminates or significantly reduces a valuation inconsistency.

Therefore, this item includes:

- debt securities and loans that are included in an Other/Trading business model (therefore not attributable to the "Hold to Collect" or "Hold to Collect and Sell" business models) or that do not pass the SPPI test, including the portions of syndicated loans subscribed that, from the outset, are intended for sale and are not attributable to a Hold to Collect and Sell Business model;
- equity instruments that do not qualify as establishing control or joint control over or association with companies and held for trading or for which the option to be designated at fair value through other comprehensive income was not exercised;
- investments in UCITS.

The item also includes derivative contracts, recorded under financial assets held for trading, which are represented as assets if the fair value is positive and as liabilities if the fair value is negative. Positive and negative current values deriving from transactions in place with the same counterparty can be offset only if there is a current legal right to offset the recognised amounts and the intention is to settle the positions to be offset on a net basis.

Derivative contracts also include those embedded in combined financial contracts – in which the host contract is a financial liability – which have been recognised separately because:

- their economic characteristics and risks are not closely related to the characteristics of the underlying contract;
- embedded derivatives, even if separate, meet the definition of a derivative;
- the hybrid instruments to which they belong are not measured at fair value with the related changes recognised in the Income Statement.

According to the general rules envisaged by IFRS 9 on the reclassification of financial assets (with the exception of equity securities, for which no reclassification is permitted), reclassifications to other categories of financial assets are not permitted unless the entity modifies its business model for the management of financial assets. In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the category measured at fair value through profit or loss into one of the other two categories envisaged by IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through other comprehensive income). The transfer value is the fair value at the time of reclassification and the effects of reclassification operate prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is determined on the basis of its fair value on the

date of reclassification, and that date is considered as the date of initial recognition for the allocation to the various stages of credit risk (stage assignment) for the purposes of determining impairment.

1.2 Recognition criteria

Financial assets are initially recognised on the settlement date for debt securities and equity securities, on the disbursement date for loans and on the subscription date for derivative contracts.

Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value, without considering transaction costs or income directly attributable to the instrument itself.

1.3 Measurement criteria

Subsequent to initial recognition, financial assets measured at fair value through profit or loss are measured at fair value. The effects of the application of this measurement criteria are charged to the Income Statement.

Market prices are used to determine the fair value of financial instruments listed on an active market. In the absence of an active market, commonly adopted estimation methods and valuation models are employed that take into account all risk factors correlated with the instruments and that are based on market data, such as: the valuation of listed instruments with similar characteristics, discounted cash flow calculations, option price calculation models, values posted in recent comparable transactions, etc. For equity securities and derivative instruments regarding equity securities, not listed on an active market, the cost method is used as a fair value estimate only in a residual way and limited to a few circumstances, i.e. in the case of non-applicability of all the measurement methods mentioned above, or in the presence of a wide range of possible fair value assessments, in which the cost represents the most significant estimate.

For further information on the criteria for determining fair value, please refer to section "A.4 Fair value disclosure" in Part A of the Notes to the Financial Statements.

1.4 Derecognition criteria

Financial assets are derecognised only when the transfer resulted in the substantial transfer of all risks and benefits related to the assets. On the other hand, if a significant portion of risks and benefits related to the financial assets sold has been maintained, these assets will continue to be recognised, even if the legal ownership of the assets has actually been transferred.

If it is not possible to determine the substantial transfer of risks and benefits, financial assets are derecognised when the control thereof is transferred. Otherwise, the fact that even partial control has been retained means that the assets must be carried for an amount proportional to the remaining involvement, which is measured by the exposure to changes in the value of the assets sold and the changes in their cash flows.

Finally, the financial assets sold are derecognised if the contractual rights to receive the relative cash flows are retained, but an obligation is concurrently assumed to pay out to other third parties the above mentioned flows without significant delay.

1.5 Income component recognition criteria

Interest income on securities and differentials and spreads on derivative contracts classified to this category, but which are linked to other assets/liabilities measured at fair value for management purposes, are recognised on an accrual basis to the income statement items for interest, accounting for any commissions (up-front fees) paid or collected early in a lump-sum.

Profits and losses realised on the disposal or redemption and unrealised profits and losses on changes in the fair value of the trading portfolio are classified to item "80 Net trading income", except for the share relative to derivative contracts that are linked to assets or liabilities measured at fair value for management purposes, which are entered to item "110 Net income/loss from financial assets and liabilities measured at fair value through profit or loss".

SECTION 2. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

2.1 Classification criteria

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

- the financial asset is held according to a business model whose objective is achieved both through the collection of contractual cash flows and through sale ("Hold to Collect and Sell" Business model), and
- the contractual terms of the financial asset envisage, at certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (known as "SPPI test" passed).

The item also includes capital instruments, not held for trading, for which the option to be designated at fair value through other comprehensive income was exercised at the time of initial recognition.

In particular, this item includes:

- debt securities that are part of a Hold to Collect and Sell business model and passed the SPPI test;
- equity investments that do not qualify as establishing control or joint control over or association with companies and are not held for trading, for which the option to be designated at fair value through other comprehensive income was exercised;
- loans that are attributable to a Hold to Collect and Sell business model and passed the SPPI test, including the portions of syndicated loans subscribed that, from the outset, are intended for sale and are not attributable to a Hold to Collect and Sell business model.

According to the general rules envisaged by IFRS 9 on the reclassification of financial assets (with the exception of equity securities, for which no reclassification is permitted), reclassifications to other categories of financial assets are not permitted unless the entity modifies its business model for the management of financial assets.

In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the category measured at fair value through other comprehensive income into one of the other two categories envisaged by IFRS 9 (Financial assets measured at amortised cost or Financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification operate prospectively from the date of reclassification. In the event of reclassification from this category to the amortised cost category, the cumulative gain (loss) recognised in the valuation reserve is recognised as an adjustment to the fair value of the financial asset at the date of reclassification. Whereas in the event of reclassification in the category of fair value through profit or loss, the cumulative gain (loss) previously recognised in the valuation reserve is reclassified from equity to profit (loss) for the year.

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

2.2 Recognition criteria

Upon initial recognition, assets in this category are entered at cost, which is defined as the fair value of the instrument, including transaction costs and income directly attributable to the instrument. If recognition occurs subsequent to reclassification from Assets at amortised cost, the value of initial recognition is equal to the fair value at the time of transfer.

2.3 Measurement criteria

Subsequent to initial recognition, Assets classified at fair value through other comprehensive income are measured at fair value determined on the basis of the criteria already illustrated for Financial assets measured at fair value through profit or loss.

For equity securities included in this category not listed on an active market, the cost method is used as a fair value estimate only in a residual way and limited to a few circumstances, i.e. in the case of non-applicability of all the measurement methods mentioned above, or in the presence of a wide range of possible fair value assessments, in which the cost represents the most significant estimate.

For further information on the criteria for determining fair value, please refer to section "A.4 Fair value disclosure" in Part A of the Notes to the Financial Statements.

Financial assets measured at fair value through other comprehensive income – both in the form of debt securities and loans – are subject to checking the significant increase in credit risk (impairment) required by IFRS 9, as are Assets at amortised cost, with the consequent recognition in the income statement of an adjustment to cover expected losses. More specifically, on instruments classified in stage 1 (i.e. on financial assets at the time of origination, where performing, and on instruments for which there has been no significant increase in credit risk compared to the initial recognition date), a 12-month expected loss is recorded at the initial recognition date and at each subsequent reporting date. On the other hand, for instruments classified as stage 2 (performing positions for which there has been a significant increase in credit risk compared to the date of initial recognition) and stage 3 (impaired exposures), an expected loss is recognised over the life of the financial instrument.

Vice versa, equity securities are not subject to impairment.

For further details, refer to the next chapter "Impairment of financial assets".

2.4 Derecognition criteria

Financial assets are derecognised only when the transfer resulted in the substantial transfer of all risks and benefits related to the assets. On the other hand, if a significant portion of risks and benefits related to the financial assets sold has been maintained, these assets will continue to be recognised, even if the legal ownership of the assets has actually been transferred.

If it is not possible to determine the substantial transfer of risks and benefits, financial assets are derecognised when the control thereof is transferred. Otherwise, the fact that even partial control has been retained means that the assets must be carried for an amount proportional to the remaining involvement, which is measured by the exposure to changes in the value of the assets sold and the changes in their cash flows.

Finally, the financial assets sold are derecognised if the contractual rights to receive the relative cash flows are retained, but an obligation is concurrently assumed to pay out to other third parties the above mentioned flows without significant delay.

2.5 Income component recognition criteria

Debt securities

Interest income, calculated according to the effective interest rate method, is entered to item 10. "Interest income and similar revenues" whereas valuation profit and loss, with the exception of impairment profit and loss, are recognised, net of any tax effect, in item 110. of equity "Valuation reserves".

If the financial asset is derecognised (transferred), the cumulative gain or loss previously recognised in the reserve is reclassified to the income statement (item 100.b "Gains (losses) on disposal or repurchase of financial assets measured at fair value through other comprehensive income").

Impairment profit and losses are recognised in item 130.b "Net adjustments due to credit risk to financial assets measured at fair value through other comprehensive income"; however, the provision to cover losses must be recognised in other comprehensive income (item 110. of equity "Valuation reserves") and must not reduce the carrying amount of the financial asset in the asset side of the statement of financial position.

Equity securities

Dividends are entered to item 70. "Dividends and similar income" whereas valuation profit and loss, including impairment profit and loss, are recognised, net of any tax effect, in item 110. of equity "Valuation reserves".

If the financial asset is derecognised (transferred), the cumulative profit or loss previously recognised in the reserve must not be reclassified to the income statement, although the Bank may transfer these amounts to equity (item 140. "Reserves").

SECTION 3. FINANCIAL ASSETS MEASURED AT AMORTISED COST

3.1 Classification criteria

This category includes financial assets (in particular, loans and debt securities) that meet both of the following conditions:

- the financial asset is held according to a business model whose objective is achieved both through the collection of contractual cash flows ("Hold to Collect" Business model), and
- the contractual terms of the financial asset envisage, at certain dates, cash flows represented solely by payments of principal and interest on the amount of principal to be repaid (known as "SPPI test" passed).

More specifically, this item includes:

- loans with banks in different technical forms meeting the requirements set out in the previous paragraph;
- loans with customers in different technical forms meeting the requirements set out in the previous paragraph;

- debt securities meeting the requirements set out in the previous paragraph.

This category also includes operating loans related to the provision of financial activities and services as established by the Consolidated Law on Banking (TUB) and the Consolidated Law on Finance (TUF) (for example for the distribution of financial products and servicing activities).

According to the general rules envisaged by IFRS 9 on the reclassification of financial assets, reclassifications to other categories of financial assets are not permitted unless the entity modifies its business model for the management of financial assets. In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the category measured at amortised cost into one of the other two categories envisaged by IFRS 9 (Financial assets measured at fair value through other comprehensive or Financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification operate prospectively from the date of reclassification. Gains and losses resulting from the difference between the amortised cost of a financial asset and its fair value are recognised in the income statement in the event of reclassification as a financial asset measured at fair value through profit or loss and equity, in the specific valuation reserve, in the event of reclassification as a financial asset measured at fair value through other comprehensive income.

Loans generated by finance lease transactions are included.

3.2 Recognition criteria

If the asset is entered to this category upon reclassification from "financial assets measured at fair value through other comprehensive income", the amount of the previously accumulated valuation reserve is eliminated from equity, reducing the fair value of the asset at the reclassification date; consequently, the financial asset is measured at the reclassification date as if it had always been measured at amortised cost. Moreover, with the same adjustment for credit risk, it is necessary to recognise a provision to cover losses as an adjustment to the gross carrying amount of the financial asset from the reclassification date.

Financial assets are initially recognised on the settlement date for debt securities and on the disbursement date for loans. Upon initial recognition, assets are recorded at fair value, including transaction costs or income directly attributable to the instrument itself.

In particular, with regard to loans, the date of disbursement normally coincides with the date of signing of the agreement. If such a coincidence does not occur, a commitment to disburse funds is recorded at the time of signing the agreement, which ends on the date of disbursement of the loan. The loan is recognised on the basis of its fair value, equal to the amount disbursed, or subscription price, including costs/income directly attributable to the individual loan and determinable from the start of the transaction, even if settled at a later date.

Costs that, despite having the above characteristics, are reimbursed by the debtor counterparty or classified as ordinary internal administrative costs are excluded.

3.3 Measurement criteria

Subsequent to initial recognition, financial assets in question are measured at amortised cost using the effective interest rate method, adjusted by any provision to cover losses. The effective interest rate is the rate that exactly discounts estimated future cash flows of the asset (principal and interest) to the amount disbursed including costs/income related to the financial asset itself. This accounting method, which is based on a financial approach, allows the economic impact of costs/income directly attributable to a financial asset to be distributed throughout its expected residual life.

The amortised cost method is not used for assets – measured at historical cost – whose short duration makes the effect of the application of the discounting logic negligible, for those without a defined maturity or revocable loans.

The measurement criteria, as better described in the chapter on "Impairment of financial assets", are strictly related to the inclusion of the instruments in question in one or the three stages (stages of credit risk) envisaged by IFRS 9, the last of which (stage 3) includes impaired financial assets and the remaining (stages 1 and 2) performing financial assets.

With reference to the accounting representation of the above valuation effects, impairment losses relating to this type of asset are recognised in the Income Statement:

- upon initial recognition, for an amount equal to the 12-month expected credit loss;
- upon subsequent measurement of the asset, where the credit risk has not significantly increased compared to initial recognition, in relation to changes in the amount of impairment for losses expected in the following twelve months;
- upon subsequent measurement of the asset, where the credit risk significantly increased compared to initial recognition, in relation to the recognition of impairment for expected losses over the life of the asset as provided for in the contract;
- upon subsequent measurement of the asset, where – after a significant increase in credit risk since initial recognition – the "significance" of this increase has since disappeared, in relation to the adjustment of cumulative impairment losses to take account of the change from a full lifetime expected credit loss of the instrument to a 12-month expected credit loss.

If the financial assets in question are performing, they are measured in order to determine the impairment losses to be recorded in the financial statements at the level of the individual credit relation (or security "tranche"), depending on the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD), derived from AIRB models and properly adjusted to take account of the provisions of IFRS 9.

If, in addition to a significant increase in credit risk, there is evidence of impairment, the amount of the loss is measured as the difference between the carrying amount of the asset – classified as "impaired", like all other transactions with the same counterparty – and the present value of the expected future cash flows, discounted at the original effective interest rate. The amount of the loss to be recognised in the income statement is defined on the basis of an analytical valuation process or determined by homogeneous categories and, therefore, analytically applied to each position and considers, as described in detail in the chapter "Impairment losses of financial assets", forward looking information and possible alternative recovery scenarios.

Impaired assets include financial instruments that have been granted the status of doubtful, unlikely to pay or past due by more than ninety days according to the rules of the Bank of Italy, consistent with IAS/IFRS and European Supervisory regulations.

The expected cash flows take into account the expected recovery time and the estimated realisable value of any guarantee.

The original effective interest rate of each asset remains unchanged over time even though the relationship has been restructured resulting in a change in the contractual interest rate and even if the relationship ceases to bear the contractual interest for practical purposes.

If the reasons for the impairment no longer apply as a result of an event that occurs after impairment has been recorded, write-backs are carried out and entered to the income statement. The amount of write-backs may not exceed the amortised cost that the instrument would have had in the absence of previous adjustments.

Write-backs related to the passage of time are recognised in net interest income.

In some cases, during the life of the financial assets in question and, in particular, of loans, the original contractual terms can be amended by the parties to the contract. When, over the life of an instrument, the contractual clauses are amended, it is necessary to check whether the original asset must continue to be recognised in the financial statements or, on the contrary, whether the original instrument must be derecognised from the financial statements (derecognition) and a new financial instrument must be recognised.

In general, changes in a financial asset lead to its derecognition and to the recognition of a new asset when they are "substantial". The assessment of whether the change is "substantial" must be subject to qualitative and quantitative considerations. In fact, in some cases it may be clear, without resorting to complex analyses, that the changes introduced substantially modify the characteristics and/or contractual flows of a given asset while, in other cases, further analyses (including quantitative analyses) will have to be carried out in order to appreciate their effects and check the need to derecognise or not the asset and the recognition of a new financial instrument.

Therefore, qualitative and quantitative analyses aimed at defining the "substantiality" of the contractual changes made to a financial asset, will have to consider:

- the purposes for which the changes were made: for example, renegotiations for commercial reasons and forbearance due to financial difficulties of the counterparty:
 - the first, aimed at "retaining" the customer, involve a debtor who is not in financial difficulty. This case study includes all the renegotiation operations that are aimed at adjusting the cost of the debt to market conditions. These transactions involve a change in the original terms of the contract, usually requested by the debtor, which concerns aspects related to the cost of the debt, with a consequent economic benefit for the debtor. In general, it is considered that whenever a bank renegotiates in order to avoid losing its customer, such renegotiation should be considered as substantial in that, if it is not renegotiated, the customer could finance itself from another intermediary and the bank would suffer a decrease in expected future revenues;
 - or the latter, carried out for "credit risk reasons" (forbearance measures), are attributable to the bank's attempt to maximise the recovery of the cash flows of the original loan. As a rule, the underlying risks and benefits are not substantially transferred after the changes and, consequently, the accounting representation that provides the most relevant information for the reader of the financial statements (except for what will be said below on the subject of objective elements) is that made through "modification accounting" – that implies the recognition in the income statement of the difference between the carrying amount and the present value of the modified cash flows discounted at the original interest rate – and not through "derecognition";
- the presence of specific objective elements ("triggers") that affect the characteristics and/or contractual flows of the financial instrument (such as, for example, a change in the currency or a change in the type of risk to which one is exposed, when correlated with equity and commodity parameters), which are deemed to entail derecognition in view of their impact (expected to be significant) on the original contractual flows.

3.4 Derecognition criteria

Financial assets are derecognised only when the transfer resulted in the substantial transfer of all risks and benefits related to the assets. On the other hand, if a significant portion of risks and benefits related to the financial assets sold has been maintained, these assets will continue to be recognised, even if the legal ownership of the assets has actually been transferred.

If it is not possible to determine the substantial transfer of risks and benefits, financial assets are derecognised when the control thereof is transferred. Otherwise, the fact that even partial control has been retained means that the assets must be carried for an amount proportional to the remaining involvement, which is measured by the exposure to changes in the value of the assets sold and the changes in their cash flows.

Finally, the financial assets sold are derecognised if the contractual rights to receive the relative cash flows are retained, but an obligation is concurrently assumed to pay out to other third parties the above mentioned flows without significant delay.

3.5 Income component recognition criteria

Interest income on loans and securities is entered to item 10. "Interest income and similar revenues".

Profits and losses on the disposal of loans and securities are entered to item 100. "Gains (losses) on disposal or repurchase of financial assets measured at amortised cost". Impairment losses and write-backs on loans and securities are entered to item 130. "Net adjustments due to credit risk to financial assets measured at amortised cost".

SECTION 4. HEDGING TRANSACTIONS

The Bank avails itself of the possibility, at the time of introduction of IFRS 9, of continuing to apply in full the provisions of the former IAS 39 on hedge accounting (in the carved out version approved by the European Commission) for each type of hedge (both for micro hedges and for macro hedges).

4.1 Classification criteria

The purpose of hedging operations is to neutralise potential losses that may be incurred on a certain element or group of elements and is attributable to a certain risk by means of profits earned on a different element or group of elements in the event that the risk in question should actually present itself.

A derivative financial instrument is classified as a hedge if the relationship between the hedging instrument and the hedged element is formally documented, if it is effective when hedging begins, and, prospectively, over the entire life of the hedge.

Consequently, it becomes necessary to verify that the hedge of the derivative instrument is highly effective in offsetting changes in the fair value or expected cash flows of the hedged element both at the beginning of the operation and throughout its duration.

The effectiveness of the hedge depends on the extent to which changes in the fair value of the hedged instrument and the relative expected cash flows are offset by the respective values of the hedging instrument. Effectiveness may therefore be evaluated by comparing the above-mentioned changes, while taking into account the aim pursued by the company when the hedge was created. A hedge is considered effective (within the limits set by the interval 80-125%) if the changes in the fair value of the hedging instrument almost completely neutralise the changes in the hedged instrument for each risk element hedged against.

Given the Group's decision to continue to apply IAS 39 in full to hedging transactions, it is not possible to designate equity securities classified as financial assets measured at fair value through other comprehensive income (FVOCI) as hedged items for price or foreign exchange risk, since these instruments do not impact the income statement, even in the event of a sale (except for dividends that are recognised in the income statement).

4.2 Recognition criteria

There are two types of hedges:

- fair value hedges, which aim to cover the exposure to changes in the fair value of hedged assets or liabilities attributable to a specific risk. This type of hedge may be used to hedge against market risks inherent in fixed-rate bond issues;
- cash flow hedges, which aim to cover the exposure to the risk of changes in the expected future cash flows attributable to specific risks associated with items on the financial statements. This type of hedge is specifically used to stabilise floating-rate interest flows on deposits.

The items, "Hedging derivatives" under assets (Item 80.) and liabilities (Item 60.) of the statement of financial position correspond to the positive and negative values, respectively, of derivatives that are part of effective hedges.

4.3 Measurement criteria

Hedging derivatives are measured at fair value, specifically:

- in fair value hedges, the change in the fair value of the hedged element is offset by the change in the fair value of the hedging instrument. This offset is recognised by entering the changes in value in both the hedged element (as regards changes produced by the underlying risk factor) and the hedging instrument to the income statement. Any difference, which represents the partial ineffectiveness of the hedge, is consequently considered the net economic effect;
- in cash flow hedges, the hedged item continues to be measured according to the original method, whereas changes in the fair value of the derivative are entered to equity for the effective portion of the hedge, and to the income statement, for the ineffective portion of the hedge.

The effectiveness of hedges is verified at the outset and when the financial statements for the year are prepared. If a hedge ceases to be effective, the related derivative contracts are classified as instruments held for trading and entered to Item 20. "Financial assets held for trading" or Item 40. "Financial liabilities held for trading", whereas changes in fair value are entered to Item 80. of the income statement "Net trading income". The hedged financial instrument is measured according to the method used for the category in which it is classified.

4.4 Derecognition criteria

Hedging financial assets and liabilities are derecognised when the contractual rights to cash flows deriving from the assets expire, or when the financial assets/liabilities are disposed of with a substantial transfer of the relative risks and rewards. Furthermore, operations cease to be regarded as hedges and be accounted for accordingly if the hedge carried out through the derivative ceases or is no longer highly effective, or if the derivative expires, is sold, rescinded or exercised, or the hedged element is sold, expires or redeemed.

4.5 Income component recognition criteria

Income components are allocated to the relative items on the income statement according to the following indications:

- Accrued differentials on derivative instruments hedging against the interest rate risk (as well as interest on the hedged positions) are allocated to item 10. "Interest income and similar revenues" or 20. "Interest expense and similar charges";
- Capital gains and losses on the valuation of hedging derivatives and the fair value hedge positions (which may be attributed to the hedged risk) are allocated to item 90. "Net hedging gains (losses)";
- Capital gains and losses deriving from the valuation of derivative instruments used in cash flow hedges (for the effective portion) are allocated to a specific valuation reserve (item 130. "Valuation reserve") in equity, net of the deferred tax effect. The ineffective portion of said capital gains and losses is entered to item 90. "Net hedging gains (losses)" of the income statement.

SECTION 5. EQUITY INVESTMENTS

5.1 Classification criteria

According to IAS, the item "Equity investments" includes equity investments in subsidiaries, affiliates and jointly-controlled companies. Subsidiaries are defined as companies for which more than half the voting rights are held either directly or indirectly, unless it may be shown that the possession thereof does not constitute control; control is defined as wielding the power to determine financial and management policies.

Jointly-controlled companies are defined as those for which control is shared with other parties according to a contract. Affiliates are defined as companies, for which at least 20% of voting rights are held either directly or indirectly, or over which significant influence is possessed despite holding a lesser share of voting rights; significant influence is defined as the power to participate in determining financial and management policies, without having control or joint control.

Certain equity investments of more than 20%, in which the Bank only holds rights over a portion of the returns on investment, does not have access to management policies and can exercise limited governance rights to safeguard its economic interests, are not considered to be subject to significant influence. The remaining equity investments, i.e. not in subsidiaries and affiliates, are classified as financial assets (FVTPL or FVTOCI) and treated accordingly.

5.2 Recognition criteria

Equity investments are entered at cost, including accessory charges, when acquired.

5.3 Measurement criteria

Subsidiaries and affiliates are measured according to the equity method and the impact thereof is entered to the income statement: according to this method, equity investments are initially entered at cost and the carrying amount is increased or decreased to account for the Bank's share in the investee company's profits or losses realised after the date of acquisition. The Bank's share of the investee's profits for the year is entered to the income statement. Dividends received from an investee are entered against the carrying amount of the equity investment. It may become necessary to make adjustments to the carrying amount of equity investments when the share of the Bank's interest in an affiliate is modified.

If there is evidence that the value of an equity investment may have decreased, an estimate of the recovery value of the equity investment is made. If the recovery value is less than the carrying amount, the relative difference is entered to item 220. "Profit (loss) from equity

investments" in the income statement. This item also includes any future write-backs where the reasons for the previous write-downs no longer apply.

5.4 Derecognition criteria

Equity investments are derecognised when the contractual rights to cash flows deriving from the assets expire, or when the equity investment is disposed of with a substantial transfer of the relative risks and benefits.

5.5 Income component recognition criteria

Profits and losses realised by investee companies and the effects of measurement according to the equity method are allocated in the income statement to item 220. "Profit (loss) from equity investments", whereas dividends received are deducted directly from the carrying amount of the equity investments.

SECTION 6. PROPERTY, PLANT AND EQUIPMENT

6.1 Classification criteria

Property, plant and equipment include land, instrument buildings, real estate investments, plant, furniture and furnishings, and all types of equipment. This category consists of property, plant and equipment held for use in the production or provision of goods and services, to be leased to third parties, or for administrative purposes, and which are believed likely to be used for more than one accounting period. Rights of use acquired under leases and relating to the use of property, plant and equipment are also included.

6.2 Recognition criteria

Property, plant and equipment are initially entered at cost, which includes the price of purchase and any accessory charges that may be directly attributed to the acquisition and commissioning of the assets.

Extraordinary maintenance expenses that entail increase in the future economic benefits of the asset are added to the carrying amount of the asset, whereas other ordinary maintenance costs are entered to the income statement.

Leases, in accordance with IFRS 16, are recognised based on the right-of-use model whereby, 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 (starting date), the lessee recognises both the liability and the asset consisting of the right of use.

6.3 Measurement criteria

Property, plant and equipment, including non-instrumental buildings, are measured at cost, once any depreciation and impairment have been deducted. Upon first application, buildings are entered at cost, which is defined as past carrying amount adjusted accordingly to specific monetary revaluation laws.

Property, plant and equipment are systematically depreciated on a straight-line basis over their useful life. The buildings are depreciated for a portion considered adequate to represent the depreciation of the assets over time following their use, taking into account the extraordinary maintenance expenses, which are added to the value of the assets. Land is not depreciated and is entered separately even when acquired with annexed buildings.

IAS 16 does not provide for depreciation:

- of land since land is an asset with an indefinite useful life; for fully owned properties (from the ground up), this has led to the need to separate the value of land from the annexed buildings by commissioning an expert appraisal;
- of the valuable artistic heritage, the other historical, artistic and decorative assets in that their useful life cannot be estimated and their value is normally destined to increase over time;
- of investment properties that, as required by IAS 40, are measured at fair value with contra-entry to the income statement and therefore must not be depreciated.

If there is any evidence that shows that a property, plant and equipment measured at cost has undergone impairment, its carrying amount is compared with its recovery value. Any adjustments are entered to the income statement. If the reasons that led to the recording of the impairment cease to exist, a write-back is made, the amount of which may not exceed the value that the asset would have had, net of depreciation calculated in the absence of previous impairment. Property, plant and equipment recognised in accordance with IAS 2 are measured at the lower of cost and net realisable value, it being understood that a comparison is made between the carrying amount of the asset and its recovery value where there is any indication that the asset may have undergone impairment. Any adjustments are entered to the income statement.

With reference to the asset consisting of the right of use, recognised 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 tested for impairment in case of impairment indicators.

6.4 Derecognition criteria

Property, plant and equipment are derecognised when they have been disposed of, or when the assets have been permanently taken out of use and no future economic benefits are expected from disposal.

6.5 Income component recognition criteria

Income components are entered to the relative items on the income statement according to the following indications:

- periodic depreciation, impairment losses, and write-backs are allocated to item 180. "Net adjustments to property, plant and equipment";
- profits and losses on the disposal of assets are allocated to item 250. "Gains (losses) on disposal of investments".

SECTION 7. INTANGIBLE ASSETS

7.1 Classification criteria

The portfolio of intangible assets includes intangible factors of production with a useful life of several years, mainly represented by application and system software.

7.2 Recognition criteria

Said assets are entered at the price of purchase including accessory charges and increased by expenses incurred at a later date to raise their value or initial production capacity.

7.3 Measurement criteria

Intangible assets are amortised according to the straight-line method based on the estimated residual useful life of the assets. If evidence is found indicating the existence of impairment, intangible assets are tested for impairment and any impairment losses are recorded; later write-backs may not exceed the amount of the previously recorded impairment losses.

7.4 Derecognition criteria

Intangible assets are derecognised when their economic function has been fully exhausted.

7.5 Income component recognition criteria

Periodic amortisation, impairment losses, and write-backs are allocated to item 190. "Net adjustments to intangible assets".

SECTION 8. OTHER ASSETS

Other assets essentially include items awaiting settlement and items not attributable to other statement of financial position items, including receivables arising from the supply of non-financial goods and services, tax items other than those recognised under a specific item (for example, related to withholding tax), gold, silver and precious metals and accrued income other than those that should be capitalised on the related financial assets, including those arising from contracts with customers pursuant to IFRS 15, paragraphs 116 et seq.

SECTION 9. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets or groups of assets/liabilities for which a disposal process has been initiated and their sale is considered highly probable are classified as assets under "Non-current assets and groups of assets held for sale" and are classified as liabilities under "Liabilities associated with assets held for sale". These assets/liabilities are measured at the lower of their carrying amount and their fair value less costs to sell, with the exception of certain types of assets (e.g. financial assets within the scope of IFRS 9) for which IFRS 5 specifically requires that the measurement criteria of the relevant accounting standard be applied.

The balance of income and charges (dividends, interest, etc.), whether positive or negative, and the measurements of said assets/liabilities according to the above methods, net of the relative current and deferred taxes, is entered to item "290. Profit (loss) from discontinued operations after tax" of the income statement.

SECTION 10. CURRENT AND DEFERRED TAXATION

Income taxes, calculated in compliance with national tax regulations, are recognised as a cost on an accrual basis, consistent with the recognition of the costs and revenues that generated them in the financial statements. Therefore, they represent the balance of current and deferred taxes related to the income for the year. Current tax assets and liabilities include the net balance of the company's tax positions with the Italian and foreign Tax Authorities. In particular, these items include the net balance between current tax liabilities for the year, calculated on the basis of a prudent forecast of the tax burden due for the year, determined on the basis of current tax regulations, and current tax assets represented by advances and other tax credits for withholding taxes incurred or other tax credits from previous years for which the bank requested offsetting with taxes from subsequent years.

Current tax assets also include tax credits for which the bank has requested a refund from the competent tax authorities, while current tax liabilities also cover the risk of charges due to tax disputes.

Deferred tax entries are calculated according to temporary differences, without time limits, between the value attributed to an asset or liability according to statutory standards and the corresponding tax values resulting in future taxable amounts or tax deductions. For this purpose, "temporary taxable differences" means those that, in the future, will determine taxable amounts, while "temporary deductible differences" those that, in the future, will determine deductible amounts.

Deferred taxation is calculated based on the applicable rates, with respect to, (i) the temporary taxable differences, with respect to which there is the likelihood of effectively incurring taxes, and (ii) the temporary deductible differences, with respect to which there is the reasonable certainty that there will be future taxable amounts at the time when the related tax deductibility becomes apparent (known as probability test).

Deferred tax assets and liabilities are recognised at the level of equity with no offsetting entries.

If the deferred tax assets and liabilities refer to income statement items, the contra-entry is represented by income tax.

In cases where deferred tax assets and liabilities concern transactions that directly affected equity without affecting the income statement (such as first-time adoption adjustments of IAS/IFRS, the measurements of financial instruments recognised at fair value through other comprehensive income or derivative contracts hedging cash flows, actuarial gains/losses on defined benefit plans (severance indemnities)), they are recognised with contra-entry to equity, involving specific reserves when required (e.g. valuation reserves).

Deferred taxes on statement of financial position items subject to tax deferral that are "taxable in any case of use" are recognised in the financial statements as a reduction in equity.

SECTION 11. PROVISIONS FOR RISKS AND CHARGES

The provisions for risks and charges consist of sums allocated in relation to current obligations that originated in a past event for which it is likely that economic resources will be disbursed to fulfil the obligation, provided that it is possible to estimate the amount to be disbursed in a reliable manner.

Provisions for risks and charges against commitments and guarantees issued

The sub-item of provisions for risks and charges in question includes provisions for credit risk recognised against commitments to disburse funds and guarantees issued that fall within the scope of application of the rules on impairment pursuant to IFRS 9. For these cases, the same methods for allocating to the three stages (credit risk stages) and calculating the expected loss shown with reference to financial assets measured at amortised cost or at fair value through other comprehensive income are adopted in principle.

The aggregate also includes provisions for risks and charges set up to cover other types of commitments and guarantees issued that, by virtue of their specific characteristics, do not fall within the aforementioned scope of application of the impairment in accordance with IFRS 9.

Other provisions

The other provisions for risks and charges include the allocations relating to legal obligations or connected with employment agreements or with disputes, including those of a tax-related nature, originated from a past event for which it is likely that economic resources will be expended to comply with said obligations, provided that a reliable estimate of the related amount can be obtained.

Consequently, a provision is recognised if and only if:

- an actual obligation exists (legal or implicit) being the result of a past event;
- it is likely that the employment of resources producing economic benefits will be required to fulfil the obligation; and
- a reliable estimate can be made of the amount resulting from the fulfilment of the obligation.

The amount recognised as provision represents the best estimate of the expense required for fulfilling the obligation existing at the end of the reporting period and shows the risks and uncertainties that inevitably characterise a variety of facts and circumstances. If the time factor is significant, provisions are discounted at current market rates. Provisions and increases due to the time factor are recognised in the Income Statement.

The provision is reversed when the use of resources producing economic benefits to fulfil the obligation becomes unlikely or when the obligation is extinguished.

In particular, the Bank uses the item other provisions for risks and charges for:

- personnel and third-parties for which it is likely that economic resources will be disbursed;
- risks of bankruptcy revocatory actions discounted with the Zero Coupon rate curve at the reporting date, by estimating the average duration of legal proceedings of this kind, and other risks for ongoing disputes;
- charitable activities and donations allocated upon approval of the financial statements.

The item also includes any long-term employee benefits, the charges of which are determined using the same actuarial criteria as those described for the provision for post-retirement benefit obligations.

SECTION 12. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

12.1 Classification criteria

Due to banks, Due to customers and Debt securities in issue include various forms of interbank funding, customer deposits, repurchase agreements with the obligation of forward repurchase and sums collected through certificates of deposit and outstanding bonds and other funding instruments, net of any buybacks.

Any payables recorded by the company as a lessee under lease transactions (leases pursuant to IFRS 16) are also included.

12.2 Recognition and derecognition criteria

The initial recognition of these financial liabilities occurs on the date the contract is signed, which normally coincides with the date of receipt of the sums collected or the date of issue of the debt securities.

Initial recognition is carried out based on the fair value of the liabilities, generally equal to the amount received or the issue price, plus any additional costs/income directly attributable to the individual funding or issue transaction. Internal administrative costs are excluded.

12.3 Measurement criteria

Subsequent to initial recognition, financial liabilities in this category are measured at amortised cost using the effective interest rate method.

Exceptions are short-term liabilities, for which the time factor is negligible, which remain recorded at the value received.

Lease payables are revalued when there is a lease modification (e.g. a change in the scope of the contract), which is not accounted for/considered as a separate lease.

12.4 Derecognition criteria

Financial liabilities are derecognised when they have expired or have been extinguished. They are also derecognised if previously issued bonds are bought back. The difference between the carrying amount of liabilities and the amount paid to purchase them is recognised in the income statement.

Any replacement on the market of treasury shares after they have been repurchased is considered tantamount to a new issue, with the entry of the new placement price.

SECTION 13. FINANCIAL LIABILITIES HELD FOR TRADING

13.1 Classification and recognition criteria

These financial instruments are recognised at the subscription or issue date at a value equal to the fair value of the instrument, without considering any transaction cost or income directly attributable to the instruments themselves.

In particular, this category of liabilities includes trading derivatives with a negative fair value as well as embedded derivatives with a negative fair value that are present in complex contracts – where the primary contract is a financial liability – but not strictly related to them. Any liabilities that originate from uncovered short positions generated by securities trading and certificates are also included.

13.2 Measurement criteria

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

13.3 Derecognition criteria

Financial liabilities held for trading are derecognised from the financial statements when the contractual rights to the corresponding cash flows expire or when the financial liability is sold substantially transferring all related risks and benefits.

13.4 Income component recognition criteria

The same criteria are applied, with the necessary adaptations, as those used for the recognition of income components of financial assets held for trading (see point 1 – Financial assets held for trading).

SECTION 14. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

14.1 Classification criteria

Financial liabilities designated at fair value are recognised in this item, with contra-entry to the Income Statement, based on the option granted to companies (known as "fair value option") under IFRS 9 and in compliance with the provisions of the relevant regulations.

In particular, this category includes financial liabilities to be measured at fair value through profit or loss when:

- designation at fair value eliminates or reduces the inconsistency in measurement or recognition ("accounting asymmetry") that would otherwise result from the measurement of assets or liabilities or from the recognition of related gains and losses on different bases;
- the management and/or measurement of a group of financial instruments at fair value through profit or loss is consistent with a documented risk management or investment strategy oriented along those lines by company management and/or Board of Directors;
- there is a hybrid instrument containing a host contract that is not an asset within the scope of IFRS 9 and an embedded derivative that is to be separated.

14.2 Recognition criteria

These liabilities are recognised at the issue date at their fair value, which normally coincides with the cost of the instrument, without considering transaction costs or income directly attributable to the instrument itself, which are instead recognised in the income statement and include the value of any embedded derivative, net of placement fees paid.

In particular, the Bank recognised as financial liabilities measured at fair value the fixed-rate funding instruments the market risk of which has been systematically hedged.

14.3 Measurement criteria

These liabilities are measured at fair value and the result is recognised in accordance with the following rules set out in IFRS 9:

- fair value changes that are attributable to changes in creditworthiness must be recognised in the Statement of comprehensive income (Equity);
- the remaining fair value changes must be recognised in the Income Statement.

The amounts recognised in the Statement of comprehensive income are not subsequently reclassified to the income statement. This accounting method must not be applied when the recognition of the effects of one's creditworthiness under equity leads to or accentuates an accounting mismatch in the income statement. In this case, the gains or losses related to the liability, including those determined as a result of the change in its creditworthiness, must be recognised in the income statement.

Market prices are used to determine the fair value of financial instruments listed on an active market. In the absence of an active market, estimation methods and valuation models are employed that take into account all risk factors correlated with the instruments and that are based on market data, such as: methods based on the valuation of listed instruments with similar characteristics, discounted cash flow calculations, option price calculation models, and values posted in recent comparable transactions.

For more details, please refer to the section on general criteria for measuring fair value (Part A.4).

14.4 Derecognition criteria

Financial liabilities measured at fair value are derecognised from the financial statements when the contractual rights to the corresponding cash flows expire or when the financial liability is sold substantially transferring all related risks and benefits.

14.5 Income component recognition criteria

Interest expense in this category is entered on an accrual basis to the income statement items relative to interest, accounting for any commissions (up-front fees) paid or received early in a lump-sum.

Realised and unrealised profits and losses deriving from the change in fair value of financial assets are entered to item 110.a "Net change in other financial assets and liabilities measured at fair value through profit or loss – financial assets and liabilities designated at fair value".

SECTION 15. CURRENCY TRANSACTIONS

15.1 Classification and recognition criteria

Currency transactions consist of all assets and liabilities denominated in currencies other than the Euro and are entered at the exchange rate on the date of the transaction.

15.2 Measurement criteria

At the end of each reporting period or interim reporting period, items in foreign currencies are measured as follows:

- monetary items are converted at the exchange rate at the end of the reporting period;
- non-monetary items measured at historical cost are converted at the exchange rate on the date of the operation;
- non-monetary items measured at fair value are converted using the exchange rates at the end of the reporting period.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in previous financial statements are recognised in the income statement of the period in which they arise.

When a gain or loss from a non-monetary item is carried at equity, the relevant exchange rate difference is also carried at equity. Conversely, when a gain or loss is recognised in the income statement, the associated exchange rate difference is also recognised in the income statement.

SECTION 16. OTHER INFORMATION

16.1 Provision for severance indemnities

Following the reform of supplementary pensions implemented by Legislative Decree no. 252/2005 those amounts of the severance indemnities that had accrued as at 31 December 2006 remain under the management of the Bank while amounts accruing starting from 1 January 2007 must either be paid into supplementary pension schemes or to the fund managed by INPS (according to the choice expressed by the employee).

The coming into force of the above mentioned reform made for a change in the way the provision was recorded both with regard to amounts accrued as at 31 December 2006 and to amounts accruing starting from 1 January 2007.

In particular:

- amounts accruing starting from 1 January 2007 go to a "defined-contribution plan" regardless of whether the employee opted for a supplementary pension scheme or for the treasury fund managed by INPS. The Bank therefore records amounts paid into these funds as payroll without employing actuarial criteria;
- amounts accrued as at 31 December 2006 go to a "defined-benefit plan" and are entered at the value calculated according to actuarial criteria in compliance with IAS 19. The liability in relation to the accrued severance indemnities is calculated on an actuarial basis with no pro-rata calculation of services rendered, as the service that must be measured has entirely accrued.

Classification, recognition, derecognition and measurement criteria

The provision for severance indemnities – for the amount accrued as at 31 December 2006 – is entered at the value calculated according to actuarial criteria provided in IAS 19 for defined-benefit programmes for employees and is certified by independent actuaries.

The Projected Unit Credit Method is used for discounting; this method involves predicting future disbursements according to historical and statistical analyses and the demographic curve and then discounting these flows according to a market interest rate. The discount rates are calculated according to the term structure of interest rates as obtained, by a bootstrap procedure, from the swap rate curve for the dates of measurement.

The amount that started accruing from 1 January 2007 is not added to severance indemnities but rather it is paid into the pension funds and/or the treasury fund managed by INPS.

Income component recognition criteria

With regard to the recognition of the annual changes resulting from the actuarial calculations of the components of the "defined-benefit plans", the IAS 19 previously in force consisted of two options:

1. the recognition in the income statement
2. the recognition in equity (statement of comprehensive income).

Until 31 December 2012, the Bank had adopted the first method, accounting in the income statement for all changes in provision for severance indemnities accrued during the period.

With EC Regulation no. 475 of 5 June 2012, the new version of IAS 19 "Employee Benefits" was approved. Such regulation, applicable as per mandatory requirements, for accounting periods beginning on or after 1 January 2013, provides a single method for accounting of actuarial gains/losses, which have to be included immediately in the calculation of net liabilities to employees, as contra-entry for an equity item (OCI – Other Comprehensive Income) to be included in the statement of comprehensive income for the period.

Based on the above regulation, the Bank adopted the revised IAS 19 starting from the financial statements for 2013, thereby shifting from recognizing actuarial gains and losses in the income statement to recognizing such differences directly in equity, with data related to financial statements for 2012 reclassified in accordance with IAS 8.

For more detailed information concerning the composition and values of the items affected by the estimates, please refer to the specific sections in the notes to the financial statements.

Payments into the supplementary pension schemes are booked to the income statement under item 150.a) "Payroll" in relation to defined contribution plans.

16.2 Leasehold improvements

The costs sustained for restructuring property belonging to third parties are capitalised in consideration of the fact that for the duration of the rental contract the using company has control of the assets and may receive their future economic benefits. Such costs, recorded in "Other assets" as provided for by the instructions of the Bank of Italy, are amortised over a period which must not exceed the duration of the rental contract, and amortisation quotas are recorded in "Other operating charges".

16.3 Purchase of tax credits

The model developed by the IT outsourcer Allitude S.p.A., which is in line with what is indicated in document no. 9 of the Bank of Italy, CONSOB and IVASS Coordination Forum regarding the application of IAS/IFRS was adopted to account for the purchased tax credits; in particular:

- the business model adopted is HTC;

- the tax credit is shown in the financial statements under other assets;
 - calculated using the amortised cost method, interest is shown in the financial statements under interest income.
- These credits will be used to offset tax and social security payments, without the intention of making further transfers of the same; therefore, no significance and frequency thresholds have been set for the assessment of the compatibility of the sales of the credits in question.

The maximum amount that can be purchased was determined in a prudential manner with respect to the concrete possibilities of using the credit acquired for offsetting; following this, it is believed that the entire annual amount can be used within the end of each year, rendering the hypothesis of having to make value adjustments a remote possibility. In this case, the impairment process will follow the policy already in use for HTC assets.

16.4 Treasury shares

Any treasury shares held are recorded as a reduction in equity. Similarly, their original cost and the gains or losses deriving from their subsequent sale are recognised as changes in equity.

16.5 Accruals and deferrals

Accruals and deferrals that include expenses and income for the period accrued on assets and liabilities are recognised in the financial statements to adjust the assets and liabilities to which they refer.

16.6 Recognition of revenues

Revenues are recognised when they are received, or when it is likely that future benefits will be received or said benefits may be reliably quantified. In particular:

- interest income is recognised on a pro rata basis according to the contractual interest rate or the effective interest rate if the amortised cost method is applied;
- interest on arrears, when provided for by a contract, is recognised in the income statement only when it is actually collected;
- dividends are recognised in the income statement when it is resolved to distribute them, which coincides with when they are collected.

16.7 Provisions for guarantees and commitments

Provisions and write-downs due to the impairment of guarantees issued and commitments to disburse funds are calculated applying the same methods adopted for financial assets measured at amortised cost and for financial assets measured at fair value through other comprehensive income.

16.8 Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition net of any principal repayments, plus or minus cumulative amortisation, calculated using the effective interest rate method, of any difference between initial amount and amount at maturity and net of any reduction for impairment.

The effective interest rate is the rate that equates the present value of a financial asset or liability to the contractual cash flow of future payments received through maturity or the next repricing date.. In the calculation of the present value, the effective interest rate is applied to the flow of future cash receipts or payments through the entire useful life of the financial asset or liability – or for a shorter period when certain conditions are met (for example review of market interest rates).

After initial recognition, amortised cost enables allocation of revenues and costs directly by decreasing or increasing the value of the instrument over its entire expected life via the amortisation process. The determination of amortised cost is different depending on whether financial assets/liabilities have fixed or variable rates and, in this last case, if the volatility of the rate is known or not beforehand. For instruments with fixed rate or fixed rate by time bands, future cash flows are quantified on the basis of the known interest rate (sole or variable) over the life of the financing. For financial assets/liabilities with a variable rate, for which the volatility is not known beforehand (for example because it is linked to an index), the determination of cash flows is carried out based on the last rate available. At every revision of the interest rate the amortisation plan and the effective interest rate for the entire life of the investment, until maturity, are recalculated. Any changes are recorded in the income statement as income or loss.

Financial assets and liabilities traded at market conditions are initially recognised at fair value, which normally corresponds to the amount disbursed or paid including, for instruments measured at amortised cost, transaction costs and any directly attributable fees.

Transaction costs include internal or external marginal costs and income attributable to the issue, the acquisition or the disposal of a financial instrument that are not debited to customer. Such commissions, which must be directly attributable to the single financial asset or liability, modify the original effective interest rate; thereby the effective interest rate associated to the transaction differs from contractual interest rate.

Transaction costs do not include costs/income relating to more than one transaction and the components related to events that may occur during the life of the financial instrument, but that are not certain at the time of the initial agreement, such as for example commissions for distribution, for non-use and for advance termination. Amortised cost does not include costs the Bank would sustain independently from the transaction (e.g. administrative and communication costs, stationery expenses), those, which though directly attributable to the transaction are part of standard practice for the management of lending (e.g. activities related to the loan granting process, administrative management of syndicated loans) as well as commissions on services received following structured finance activities that would in any case have been received independently from the subsequent financing of the transaction.

With reference to loans, fees paid to distribution networks are considered costs directly attributable to the financial instrument.

Regarding securities issued, amortised cost considers placement commissions on bond issues paid to third parties, while it does not consider legal and advisory/review expenses for the annual update of prospectuses.

16.9 Fair value measurements

General qualitative and quantitative information on criteria for measuring fair value can be found in Part A.4.

A.3 INFORMATION ON TRANSFERS OF FINANCIAL ASSETS BETWEEN PORTFOLIOS

During 2025, the Bank did not make any transfers of financial assets between portfolios and therefore this section is not completed.

A.4 FAIR VALUE DISCLOSURE

QUALITATIVE INFORMATION

This section deals with methods for determining fair value in relation to the types of assets and liabilities of the Bank. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. not a forced liquidation or below cost sale). The fair value is a market measurement criterion, not specific to the entity. An entity shall measure the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For financial instruments, fair value is determined through the use of prices obtained from financial markets in the case of instruments listed on active markets or via internal valuation techniques for other financial instruments.

A market is regarded as active if listed prices, representing actual and regularly occurring market transactions considering a normal reference period, are readily and regularly available from an exchange, dealer or brokered market, industry group, pricing service or regulatory agency.

When the market is not functioning regularly, that is when the market does not have a sufficient and continuous number of trades, the fair value of the financial instruments is mainly determined through the use of valuation techniques whose objective is the establishment of the price of a hypothetical independent transaction, motivated by normal business considerations, as at the measurement date.

With regard to financial instruments, IFRS 13 establishes a hierarchy of criteria based on the origin, type and quality of information used in the calculation. The "fair value hierarchy" defines three levels for the measurement of the fair value:

- **Level 1:** the fair value of instruments classified in this level is determined based on listed prices observed in active markets for identical assets or liabilities that are available as of the valuation date;
- **Level 2:** the fair value of instruments classified in this level is determined based on valuation models that use inputs that can be observed either directly or indirectly in the market (other than listed prices in level 1);
- **Level 3:** the fair value of instruments classified in this level is determined based on valuation models that use inputs that cannot be observed in the market.

The choice of these methodologies is not optional but must be applied according to a hierarchy since this classification has the objective to establish a hierarchy in terms of the reliability of the values depending on the degree of discretion applied by the companies, giving priority to the use of observable market inputs that reflect the assumptions that participants would use in the valuation (pricing) of the asset/liability. The objective of the hierarchy is also to increase consistency and comparability in fair value measurements.

The valuation method defined for a financial instrument is adopted over time and is changed only as a result of significant changes in market conditions or for the issuer of the financial instrument.

Specifically, with regard to the Bank's operations, equities, bonds, and other securities listed on a regulated market are considered to be listed on an active market (Level 1) if, on a daily basis over the past month, at least two executable prices have been recorded, with a bid-ask spread of less than 15%.

The following instruments are valued on the basis of techniques that make mainly use of market parameters (Level 2):

- bonds under the FVO for which it is not possible to use Level 1 fair value;
- bonds classified under the HTCS portfolio for which it is not possible to use Level 1 fair value;
- bonds classified under the Cash Flow hedge portfolio (only for the purposes of testing the hedge effectiveness);
- equity securities listed on a market that is not considered to be active;
- OTC interest rate derivatives.

With regard to OTC derivatives, a methodological approach was adopted that allows to include credit risk in determining the fair value of financial instruments: in particular, to fulfil the requirements of the new IFRS 13, it enhances the effects of changes in the counterparty creditworthiness (Credit Value Adjustment – CVA) and the effects of changes in own creditworthiness (Debit Value Adjustment – DVA). The adjustment values are dependent on exposure, the probability of default (PD) and loss given default (LGD) of the counterparties.

A.4.1 Fair value Levels 2 and 3: valuation techniques and inputs used

Level 2 fair value

The following instruments are valued on the basis of techniques that make mainly use of market parameters (Level 2):

- bonds under the FVO for which it is not possible to use Level 1 fair value;
- bonds classified under the HTCS portfolio for which it is not possible to use Level 1 fair value;
- bonds classified under the Cash Flow hedge portfolio (only for the purposes of testing the hedge effectiveness);
- equity securities listed on a market that is not considered to be active;
- OTC interest rate derivatives.

In detail, for each of the categories of instruments identified above we apply the valuation models mentioned below.

Bonds classified under HTCS or under the FVO

The methods used for the valuation of these bonds are:

- amortisation plan with future coupons estimated based on forward rates and yield curve including credit spread for variable rate securities;
- amortisation plan with estimated future coupons and yield curve including credit spread for fixed rate securities.

Equity securities listed on a market that is not considered to be active

Equity securities listed on a market that is not considered as "active" are characterised by difficult trading and high volatility in the presence of low volumes traded in accordance with this Regulation; for these securities, the fair value measurement is mainly carried out by applying statistical/financial models envisaged for Level 3 fair value.

Bonds and interest rate derivatives entered into a hedged portfolio using hedge accounting

The calculation of the fair value for hedging derivatives is done by adopting the "Notional Cash Flow After Last Known Coupon" model and the yield curve including issue spread for the valuation of the variable rate component: valuation differences between this model and the more correct model based on amortisation plan with future coupons estimated based on forward rates are considered negligible. For consistency, the same model is also applied to the hedged bonds only for the purpose of verifying the effectiveness of the hedge.²² For the measurement of the fair value of the fixed rate component, we use a model taking into account amounts specified in the amortisation plan and estimating future coupons and the yield curve including issue spread.

Interest rate trading derivatives

For the measurement of trading derivatives, the fair value provided from time to time by qualified counterparties whose methods are considered to be consistent with those outlined in the policy is adopted, applying to them the necessary correction to take account of counterparty risk (CDA/DVA).

Level 3 fair value

For certain types of financial instruments (equity investments not listed or, in some cases, listed on markets that are not considered to be active), the determination of fair value is based on valuation models that must assume the use of parameters that are not directly observable on the markets, therefore implying estimates and assumptions on the part of the evaluator (Level 3). In particular, the valuation of the financial instrument is based on a calculation model that is based on financial or similar methods. The cost of purchase is used if the valuation is objectively not possible or if the cost and effort to obtain it is too high (for the characteristics and extent of participation).

Assets and liabilities at amortised cost

To integrate the above information in relation to individual financial statement items, for assets and liabilities reported at amortised cost, the fair value shown in the Notes to the financial statements is calculated as follows:

- For loans and advances to customers and banks, the fair value (Level 2) is calculated by discounting the future contractual flows on the basis of the market rate curve at the closing of the year according to an approach based on the discount rate adjustments, which provides that risk factors – represented by the PD and LGD parameters used in calculating impairment of the portfolios – are taken into account in the rate used to discount the future flows, also considering the general worsening of the risk differentials recorded under current market conditions;
- For bonds issued and in the portfolio, the fair value (Level 2) is calculated with the help of external providers, based on the discounting of future cash flows expected from the contractual plan of the security on the basis of the market rate curve at the closing of the year, adjusted as necessary to take into account the risk profile of the issuer;
- The fair value of loans and amounts due to customers and banks on demand is estimated from the carrying amount (Level 3).

Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA)

The inclusion of the counterparty and own credit risk, for the purpose of determining the fair value of derivatives, as required by IFRS 13, implies that the value calculated on the basis of risk-free rates (MTM) is subject to an adjustment. Such adjustment is referred to as CVA for derivative asset and DVA for derivative liabilities in the Statement of Financial Position.

For the determination of the Credit Valuation Adjustment (CVA) for derivatives purchased from bank counterparties and Debit Valuation Adjustment (DVA) of derivatives sold to customers, we use the methodologies developed by the Cassa Centrale Banca in collaboration with IT companies in the sector (including the outsourcer for the Bank).

IFRS 13 requires the use of valuation techniques that maximize the use of observable market data and data which are attributable to factors taken into account in the valuation of financial instruments by all market participants. Given the characteristics of the transactions entered into and the type of banks as counterparties, it is reasonable to estimate the PD (Probability of Default), both for the Bank's own credit risk and that of the bank counterparties, using the historical approach. This represents a suitable alternative to the market approach, by referencing to the tables of default historical data reported by the leading credit rating agencies using the default rates associated with rating classes. As regards LGD (Loss Given Default), in accordance to the methodology of the above-mentioned working group, a loss of 60% of the EAD is assumed in line with practices for unsecured derivatives.

Quantitative information on relevant non-observable inputs used in the measurement of fair value

Level 3 instruments, which have more discretion in determining the fair value, represent only a small percentage (3.1%) of total assets. The quantitative impact of unobservable inputs used in measuring fair value is therefore deemed insignificant.

A.4.2 Processes and sensitivity of measurements

The methodologies for determining the fair value of financial instruments and the criteria for allocation of the instruments themselves within the "Fair Value Hierarchy" are governed by the valuation policy for assets and liabilities adopted by the Bank.

The valuation policy identifies for each financial product/family of products the input parameters and their sources as well as the valuation methods.

The valuation models used must be consistent with the degree of complexity of the products offered/negotiated, reliable in estimating values, used and known by other market participants.

The valuation process consists of the following phases:

1. The first phase identifies the types of product, the financial parameters and their sources to be used, which must be of proven reliability and be widely accepted among market participants.
2. The second phase of the valuation process specifies the method for determining the fair value, for each type of product.

In phase 1, for securities classified under Level 2 of the fair value hierarchy, the process of determining the spread of the issuer creditworthiness is particularly relevant, as detailed below.

22 The Cash Flow Hedge system envisages that the hedged instrument follows the rules of the IAS category in which it is classified.

Issuer's creditworthiness

For assets/liabilities on the wholesale market, the credit spread applied is recorded for each issuer (including Mediocredito Trentino – Alto Adige S.p.A.), according to one of the following methodologies, in order of priority:

1. spread applied to the most recent bond issue of significant amount, placed with no connected eligible counterparties;
2. spread determined taking into account the credit rating of each counterparty (including Mediocredito Trentino – Alto Adige S.p.A.) and contingent conditions of the funding market;
3. latest credit spread as reported by Reuters for Moody's rating level.

For liabilities in the retail market, the credit spread applied is the one recognised for the issuer Mediocredito Trentino – Alto Adige S.p.A. by considering the most recent bond issue placed with retail counterparties.

For the valuation of unsecured bonds of corporate counterparties, in the absence of significant issues on the basis of which it is possible to estimate the credit spread, the spread is set to the minimum provided for unsecured financing transactions of the same original duration.

A.4.3 Hierarchy of fair value

The choice of the level of fair value is not optional, but must be applied in a hierarchical order, as this classification has the objective to establish a hierarchy in terms of the reliability of the values depending on the degree of discretion applied, giving priority to the use of observable market inputs that reflect the assumptions that market participants would use in the valuation (pricing) of assets/liabilities. The objective of the hierarchy is also to increase consistency and comparability in fair value measurements. The valuation method defined for a financial instrument is adopted over time and can only be changed as a result of significant changes in the market or the financial instrument issuer's conditions.

A.4.4 Other Information

All non-financial assets, whether they are measured at fair value on a recurring or non-recurring basis, are used at their maximum potential and in the best way.

QUALITATIVE 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

Assets/liabilities measured at fair value	2025			2024		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at FV through profit or loss	-	5,259	19,052	-	5,126	18,345
a) financial assets held for trading	-	1,488		-	1,279	
b) financial assets designated at fair value						
c) other financial assets mandatorily measured at fair value ¹		3,772	19,052		3,847	18,345
2. Financial assets measured at FV through other comprehensive income	210,594	-	30,104	134,457	-	30,447
3. Hedging derivatives						
4. Property, plant and equipment						
5. Intangible assets						
Total	210,594	5,260	49,156	134,457	5,126	48,792
1. Financial liabilities held for trading		1,434			1,247	
2. Financial liabilities designated at fair value						
3. Hedging derivatives						
Total		1,434			1,247	

1 In both financial years, the amount contains receivables for cash reserves related to securitisations that did not pass the SPPI test (€0.1m in both years).

In 2025, the Bank did not carry out transfers of financial assets/liabilities between Level 1 and Level 2.

The fair value of derivative assets includes counterparty credit risk (CVA) of €13 thousand (€13 thousand in 2024) while the fair value of derivative liabilities includes Mediocredito credit risk (DVA) of €67 thousand (€45 thousand in 2024).

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	Property, plant and equipment	Intangible assets
	Total	Of which: a) financial assets held for trading	Of which: b) financial assets designated at fair value				
1. Opening balance	18,345			18,345			
2. Increases	2,090			2,090			
2.1 Purchases ¹	1,590			1,590	71		
2.2 Profits in:	499			499	-		
2.2.1 Income statement ²	499			499	-		
- of which: Capital gains	499			499	-		
2.2.2 Equity							
2.3 Transfers from other levels							
2.4 Other increases	1			1			190
3. Decreases	1,383			1,383			
3.1 Sales							604

3.2 Redemptions ³	1.025	1.025	-
3.3 Losses in:	358	358	-
3.3.1 Income statement ⁴	358	358	-
- of which: capital losses	358	358	-
3.3.2 Equity			
3.4 Transfers to other levels			
3.5 Other decreases			
4. Closing balance	19,052	19,052	30,104

- 1 With regard to financial assets measured at fair value through profit or loss, the amount refers for €56 thousand to the units in the Assietta Private Equity IV fund, for €111 thousand to the units of the Industry 4.0 SICAV fund, for €425 thousand to the units of the Sustainable Securities Fund, for €382 thousand to the units of the Ver Capital Sinloc Transition Energy fund, for €142 thousand to the units of the Made in Italy II SICAV fund, for €49 thousand to the units of the Nextalia Crediti Opportunities fund, for €103 thousand to the units of the Euro Progressio Investimenti IV fund, for €213 thousand to the units of the PMI Italia III fund, for €98 thousand to the units of the Equita Private Debt III fund and for €12 thousand to the units of the Nextalia Flexible Capital fund. As regards financial assets measured at fair value through other comprehensive income, the amount relates entirely to the investment in Meta Srl.
- 2 With regard to financial assets measured at fair value through profit or loss, the amount comprises €193 thousand relating to the positive change in fair value of the closed-end fund Sviluppo PMI II, €141 thousand relating to the positive change in fair value of the Equita Private Debt II fund, €40 thousand relating to the positive change in fair value of the Industry 4.0 SICAV fund, €35 thousand relating to the positive change in fair value of the Made in Italy II SICAV fund, €29 thousand relating to the positive change in fair value of the Nextalia Crediti Opportunities fund, €28 thousand relating to the positive change in fair value of the Finint Fenice real estate fund, €17 thousand relating to the positive change in fair value of the Equita Private Debt III fund, €11 thousand relating to the positive change in fair value of the PMI Italia III fund and €5 thousand relating to the positive change in fair value of the Ver Capital Sinloc Transition Energy fund.
- 3 With regard to financial assets measured at fair value through profit or loss, this comprises €316 thousand relating to the redemption of units in the HAT – Technology & Innovation fund, €196 thousand relating to the redemption of units in the Nextalia Private Equity fund, €195 thousand relating to the redemption of units in the PMI Italia II fund, €174 thousand relating to the redemption of units in the Equita Private Debt II fund, €112 thousand relating to the redemption of units in the Sviluppo PMI II fund and €30 thousand relating to the redemption of cash reserves relating to the Buonconsiglio 3 and Lancelot securitisations.
- 4 With regard to financial assets measured at fair value through profit or loss, this comprises €101 thousand for the negative change in fair value of the HAT – Technology & Innovation fund, €100 thousand for the negative change in fair value of the Assietta Private Equity III fund, €62 thousand for the negative change in fair value of the Assietta Private Equity IV fund, €62 thousand for the negative change in fair value of the Nextalia Private Equity fund, €17 thousand for the negative change in fair value of the PMI Italia II fund, €12 thousand for the negative change in fair value of the Progressio Investimenti IV fund and €4 thousand relating to the Sustainable Security Fund.

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

The Bank does not hold any financial liabilities measured at fair value on a recurring basis for Level 3 in the current year nor in the year of comparison.

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value levels

Type of transaction/Amounts	2025				2024			
	BV	FV			BV	FV		
		Lev. 1	Lev. 2	Lev. 3		Lev. 1	Lev. 2	Lev. 3
1. Financial assets measured at amortised cost	1,174,025	164,747	950,728	50,443	1,189,801	180,685	935,612	46,192
2. Property, plant and equipment held for investment purposes	116	-	-	116	116	-	-	116
3. Non-current assets and groups of assets held for sale	-	-	-	-	-	-	-	-
Total	1,174,140	164,747	950,728	50,559	1,189,917	180,685	935,612	46,308
1. Financial liabilities measured at amortised cost	1,328,571	-	910,223	398,777	1,341,000	-	1,035,310	279,174
2. Liabilities associated with assets held for sale	-	-	-	-	-	-	-	-
Total	1,328,571	-	910,223	398,777	1,341,000	-	1,035,310	279,174

A.5 INFORMATION ON DAY ONE PROFIT/LOSS

There are no items for the table A.5 Information on "day one profit/loss", set forth by the Bank of Italy.

PART B INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

ASSETS

SECTION 1 – CASH AND CASH EQUIVALENTS – ITEM 10

1.1 Cash and cash equivalents: breakdown

	2025	2024
a) Cash	2	4
b) Current accounts and demand deposits with Central Banks	69,478	139,913
c) Current accounts and demand deposits with banks	33,286	9,497
Total	102,766	149,414

SECTION 2 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 20

2.1 Financial assets held for trading: breakdown by type

Items/Amounts	2025			2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A Cash assets						
1. Debt securities						
1.1 Structured securities						
1.2 Other debt securities						
2. Equity securities						
3. Investments in UCITS						
4. Loans						
4.1 Repurchase agreements						
4.2 Others						
Total A						
B Derivative instruments						
1. Financial derivatives		1,488			1,279	
1.1 trading ¹		1,488			1,279	
1.2 related to fair value option						
1.3 others						
2. Credit derivatives						
2.1 trading						
2.2 related to fair value option						
2.3 others						
Total B		1,488			1,279	
Total (A+B)		1,488			1,279	

1 These consist of cap options with banks as counterparties whose characteristics mirror those with ordinary customers as counterparties, shown in item 20 of liabilities, to which reference is made. The fair value takes into account the counterparty credit risk (CVA) for €13 thousand (€13 thousand also in 2024).

2.2 Financial assets held for trading: breakdown by debtor/issuer

Items/Amounts	2025	2024
A. Cash assets		
1. Debt securities		-
a) Central Banks		-
b) Public administrations		-
c) Banks		-
d) Other financial corporations		-
of which: insurance companies		-
e) Non-financial corporations		-
2. Equity securities		-
a) Central Banks		-
b) Other financial corporations		-
of which: insurance companies		-
c) Non-financial corporations		-
d) Other issuers		-
3. Investments in UCITS		-
4. Loans		-
a) Central Banks		-
b) Public administrations		-
c) Banks		-
d) Other financial corporations		-
of which: insurance companies		-
e) Non-financial corporations		-
f) Households		-
Total A		-
B. Derivative instruments	1,488	1,279
a) Clearing House		-
b) Other	1,488	1,279
Total B	1,488	1,279
Total (A+B)	1,488	1,279

Financial assets held for trading: annual changes

Financial trading derivatives	
A. Opening balance	1,279
B. Increases	611
B1. Purchases	-
B2. Positive changes in fair value	585
B3. Other changes	26
C. Decreases	402
C1. Sales	-
C2. Redemptions	-
C3. Negative changes in fair value	298
C4. Transfers to other portfolios	-
C5. Other changes	104
D. Closing balance	1,488

2.5 Other financial assets mandatorily measured at fair value: breakdown by type

Items/Amounts	2025			2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities		3,772		-	3,847	
1.1 Structured securities				-		
1.2 Other debt securities ¹		3,772		-	3,847	
2. Equity securities				-		
3. Investments in UCITS ²			18,942	-		18,204
4. Loans			110	-		141
4.1 Repurchase agreements				-		
4.2 Others ³			110	-		141
Total	-	3,772	19,052	-	3,847	18,345

- 1 These are debt securities that did not pass the SPPI test; in particular, the amount refers for €1.395m to a subordinated bond issued by an insurance institution, for €1.5m to the senior tranche issued by the BGS Securities securitisation, for €0.9m to the monotranché issued by the Lancelot securitisation, and for €13 thousand to the mezzanine and junior tranches issued by the Buonconsiglio 3 securitisation.
- 2 This item is made up of €9.7m of units of the Finint Fenice closed-end real estate investment fund; it also includes the value of the units of the funds: Industry 4.0 SICAV for €1.9m, Assietta Private Equity IV closed-end securities investment fund for €1.0m, HAT Technology & Innovation closed-end securities investment fund for €0.4m, PMI Italia II for €0.2m, Equita Private Debt II closed-end securities investment fund for €0.9m, Sviluppo PMI 2 closed-end securities investment fund for €0.7m, Nextalia Private Equity for €0.3m, Sustainable Securities Fund for €0.8m, Ver Capital Sinloc Transition Energy for €0.7m, Made in Italy II Sicav for €0.7m, Nextalia Crediti Opportunities for €0.4m, Progressio Investimenti IV for €0.2m, PMI Italia III for €0.4m, Equita Private Debt III closed-end securities investment fund for €0.2m, Clessidra Credit Recovery for €0.4m and Nextalia Flexible Capital for €12 thousand.
- 3 These are receivables for cash reserves relating to securitisations that did not pass the SPPI test.

Commitments relating to investments in UCITS

Fund	2025	2024
Equita Private Debt III	824	922
Nextalia Flexible Capital	988	-
Progressio Investimenti IV	746	848
Finint PMI Italia III	600	813
Industry 4.0 SICAV	558	670
Ver Capital Sinloc	237	619
Sustainable Securities Fund	142	567
Nextalia Crediti Opportunities	370	530
Assietta Private Equity IV	407	471
Made in Italy II Sicav	294	436
Nextalia Private Equity	306	435
Sviluppo PMI 2	248	379
HAT Technology & Innovation	192	208
Equita Private Debt II	35	186
Assietta Private Equity III	82	82
Finint PMI Italia II	38	43
Total	6,068	7,209

2.6 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

Items/Amounts	2025	2024
1. Equity securities		
of which: banks		
of which: other financial corporations		
of which: other non-financial corporations		
2. Debt securities	3,772	3,847
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial corporations	3,772	3,847
of which: insurance companies	1,395	1,385
e) Non-financial corporations		
3. Investments in UCITS	18,942	18,204
4. Loans	110	141
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial corporations	110	141
of which insurance companies		
e) Non-financial corporations		
f) Households		
Total	22,824	22,192

Financial cash assets: annual changes in gross exposures

Annual changes in investments in UCITS are shown in the section "Other information" of part B.

SECTION 3 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – ITEM 30

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

Items/Amounts	2025			2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities ¹	160,863			99,912		
1.1 Structured securities						
1.2 Other debt securities	160,863			99,912		
2. Equity securities ²	49,730		30,104	34,545		30,447
3. Loans						
Total	210,594		30,104	134,457		30,447

1 These consist of a nominal amount of €155.0m of government securities (level 1), purchased by the Bank to create adequate reserves of assets readily available and eligible for refinancing with the ECB.

2 Level 3 includes in particular the equity investment in the Bank of Italy and the other unlisted equity investments, including those deriving from the restructuring of impaired loans (Funivie Madonna di Campiglio S.p.A., Funivie Folgarida Marilleva S.p.A., Lineapiù S.p.A.).

Commitments relating to equity securities

Fund	2025	2024
FT Phaos Srl	285	285
Acustica Trentina Srl	152	152
T5 Srl	141	141
Total	578	578

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

Items/Amounts	2025	2024
1. Debt securities	160,863	99,912
a) Central Banks		
b) Public administrations	160,863	99,912
c) Banks		
d) Other financial corporations of which insurance companies		
e) Non-financial corporations		
2. Equity securities	79,834	64,992
a) Banks	42,168	34,273
b) Other issuers	37,666	30,719
- other financial corporations	19,108	16,473
- of which insurance companies	12,541	9,573
- non-financial corporations	18,558	14,246
- others		
3. Loans		
a) Central Banks		
b) Public administrations		
c) Banks		
d) Other financial corporations of which insurance companies		
e) Non-financial corporations		
f) Households		
Total	240,698	164,904

Equity securities include the equity investment in Lineapiù S.p.A., classified as doubtful loans and fully written down in previous years.

Financial cash assets: annual changes in gross exposures

Annual changes in equity and debt securities are shown in the "Other information" section of Part B.

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

	Gross value				Total value adjustments				Total partial write-offs
	Stage 1 of which instruments with low credit risk	Stage 2	Stage 3	Acquired or originated impaired	Stage 1	Stage 2	Stage 3	Acquired or originated impaired	
Debt securities	160,863				13				
Loans									
Total	160,863	160,863			13				
Total (T-1)	99,912	99,912			19				

For performing loans (stages 1 and 2), the gross value coincides with the net value, while in the case of any impaired exposures, a proxy should be used for the total value adjustments represented by the cumulative capital losses due to credit risk that, added to the fair value recognised in the financial statements, provide the gross value of the exposure. Therefore, the value adjustments are shown in the table for information purposes only.

3.3a Loans measured at fair value through other comprehensive income subject to COVID-19 support measures: gross value and total value adjustments

The Bank has no loans measured at fair value through other comprehensive income in its portfolio.

SECTION 4 – FINANCIAL ASSETS MEASURED AT AMORTISED COST – ITEM 40

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

Type of transaction/Amounts	2025						2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage 1 and 2	Stage 3	of which: acquired or originated impaired	Lev. 1	Lev. 2	Lev. 3	Stage 1 and 2	Stage 3	of which: acquired or originated impaired	Lev. 1	Lev. 2	Lev. 3
A. Deposits with central banks												
1. Time deposits												
2. For reserve requirements												
3. Repurchase agreements												
4. Other												
B. Loans and advances to banks	13,889			5,279	8,705		12,144			3,364	8,963	
1. Loans	8,705					8,705	8,963				8,963	
1.1. Current accounts												
1.2 Time deposits	8,705						8,963					
1.3 Other loans:												
- Repurchase agreements												
- Lease financing												
- Other												
2. Debt securities	5,185			5,279			3,181			3,364		
2.1 Structured securities												
2.2 Other debt securities	5,185			5,279			3,181			3,364		
Total	13,890			5,279	8,705		12,144			3,364	8,963	

Mediocredito has met its mandatory reserve obligations to the Bank of Italy indirectly through Cassa Centrale Banca S.p.A., with which it holds a deposit made for this purpose equal to €8.705m as at 31 December 2025 and €8.963m as at 31 December 2024 indicated in item B.1.2.

4.2 Financial assets measured at amortised cost: breakdown by type of loans and advances to customers

Type of transaction/Amounts	2025					
	Carrying amount			Fair value		
	Stage 1 and 2	Stage 3	of which: acquired or originated impaired	Lev. 1	Lev. 2	Lev. 3
Loans	918,602	8,040			878,118	41,148
1.1. Current accounts	7,658					
1.2 Repurchase agreements						
1.3 Mortgages	664,762	7,551				
1.4 Credit cards, personal loans including "one-fifth of salary deducted loan"						
1.5 Lease financing ¹	184,314	404				
1.6 Factoring						
1.7 Other loans ²	61,868	84				
Debt securities	232,904	590		164,747	67,332	590
1.1 Structured securities						
1.2 Other debt securities ³	232,904	590		164,747	67,332	590
Total	1,151,505	8,630		164,747	945,450	41,738

1 The amount is net of the portion disbursed in relation to third-party funds, which is included in the item "other loans" to the amount of €0.7m.

2 They also include performing building lease operations for €25.3m.

3 They include government bonds for €167.8m and minibonds for €65.7m; the latter include the senior security issued by the Buonconsiglio 3 securitisation for €2.0m.

P A R T B
I N F O R M A T I O N O N T H E S T A T E M E N T O F
F I N A N C I A L P O S I T I O N

Type of transaction / Amounts	2024					
	Carrying amount			Fair value		
	Stage 1 and 2	Stage 3	of which: acquired or originated impaired	Lev. 1	Lev. 2	Lev. 3
Loans	920,703	10,992			876,691	36,365
1.1. Current accounts	8,560					
1.2 Repurchase agreements						
1.3 Mortgages	683,702	9,147				
1.4 Credit cards, personal loans including "one-fifth of salary deducted loan"						
1.5 Lease financing ¹	178,142	545				
1.6 Factoring						
1.7 Other loans ²	50,299	1,300				
Debt securities	245,098	863		180,685	55,557	863
1.1 Structured securities						
1.2 Other debt securities ³	245,098	863		180,685	55,557	863
Total	1,165,801	11,855		180,685	932,248	37,228

1 The amount is net of the portion disbursed in relation to third-party funds, which is included in the item "other loans" for €0.8m.

2 They also include performing building lease operations for €16.0m.

3 They include government bonds for €190.1m and minibonds for €55.8m; the latter include the senior security issued by the Buonconsiglio 3 securitisation for €2.7m.

Information on the nature of the management operations on funds made available by the State or other public entities ("third-party funds under administration").

The item "other loans" includes €8.4m of funding provided from funds made available by the Autonomous Province of Bolzano, directly or through the special purpose vehicle Asse Agenzia per lo Sviluppo, for €7.7m and by the Veneto Region, directly or through the special purpose vehicle Veneto Sviluppo, for €0.7m.

All of the above funds, intended for particular funding operations as envisaged and governed by specific legislation²³, require Mediocredito to fully assume the risk.

Financial cash assets: annual changes

Annual changes in debt securities are shown in the "Other information" section of Part B.

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

Type of transaction / Amounts	2025			2024		
	Stage 1 and 2	Stage 3	of which: acquired or originated impaired	Stage 1 and 2	Stage 3	of which: acquired or originated impaired
1. Debt securities:	232,904	590		245,098	863	
a) Public administrations	167,815			190,127		
b) Other financial corporations	6,143			6,204		
of which: insurance companies	-			-		
c) Non-financial corporations	58,945	590		48,767	863	
2. Loans to:	918,602	8,040		920,703	10,992	
a) Public administrations	51,331			48,687		
b) Other financial corporations	18,754			15,522	1,295	
of which: insurance companies	-			-		
c) Non-financial corporations	831,765	7,374		836,325	8,445	
d) Households	16,751	666		20,169	1,252	
Total	1,151,505	8,630		1,165,801	11,855	

23 In particular:

- for the Autonomous Province of Bolzano: Regional Laws 21/93 and 3/91 and Provincial Law 9/91;
- for the Veneto Region: Regional Law 18/94, 6/96, 5/2001 and 33/2002.

4.4 Financial assets measured at amortised cost: gross value and total value adjustments²⁴

	Gross value				Total value adjustments				Total partial write-offs
	Stage 1		Stage 2	Stage 3	acquired or originated impaired	Total value adjustments			
	of which instruments with low credit risk ¹					Stage 1	Stage 2	Stage 3	
Debt securities	232,121	167,829	6,472	1,315		337	168	725	
Loans	854,967	21,549	85,287	15,992		7,306	5,642	7,952	
Total	1,087,088	189,378	91,760	17,307		7,643	5,810	8,677	
Total (T-1)	1,038,653	218,416	155,436	21,364		4,780	11,363	9,509	

1 The amount shown is related to loans for which, for the purposes of staging assessment, the staging model adopted by the Bank applies the Low Credit Risk Exemption, envisaged by IFRS 9, which requires that on FTA or subsequent measurement, a transaction can be classified as stage 1 if it meets the following requirements:

- absence of lifetime PD at the disbursement date;
- no "30 days past due" event in the 36 months prior to the measurement date, and
- rating class less than or equal to 4 for Small Businesses and Companies, less than or equal to 3 for POE and less than or equal to 5 for Private individuals.

The "Gross value" of financial assets shown in the table corresponds to the carrying amount gross of total value adjustments (case-by-case and collective), which are instead shown in the "Total value adjustments" columns, and does not include accrued interests on arrears in that they are considered non-recoverable. In the case of stage 3 adjustments, the amount shown corresponds to the present value, at the end of the reporting period, of the difference between contractual flows and expected cash flows.

New liquidity granted through public guarantee mechanisms issued in relation to the COVID-19 context: gross value and total value adjustments

	Gross value				Total value adjustments				Total partial write-offs
	Stage 1		Stage 2	Stage 3	Acquired or originated impaired	Total value adjustments			
	of which instruments with low credit risk					Stage 1	Stage 2	Stage 3	
Loans	20,492	-	2,254	1,505		24	3	676	
Total	20,492	-	2,254	1,505		24	3	676	
Total (T-1)	41,233	-	5,426	1,707		39	39	566	

²⁴ The amounts in the table refer to both loans and advances to customers and loans and advances to banks.

SECTION 7 – EQUITY INVESTMENTS – ITEM 70

7.1 Equity investments: information on equity relations

Names	Registered office	Operating office	% stake	% of votes available
A. Subsidiaries				
1. Paradisidue S.r.l.	Trento	Trento	100.000	100.000
B. Joint ventures				
C. Companies under significant influence				

7.4 Insignificant equity investments: accounting information ¹

Names	Carrying amount of equity investments	Total assets	Total equity and liabilities	Total revenues	Profit (Loss) from current operations after tax	Profit (loss) from groups of assets held for sale after tax	Profit (loss) for the year (1)	Other income components net of taxes (2)	Comprehensive income (3) = (1)+(2)
A. Subsidiaries									
1. Paradisidue S.r.l.	419	7,567	7,636	781	(69)	-	(69)	-	(69)
B. Joint ventures									
C. Companies under significant influence									

¹ Financial statement data as at 31 December 2024.

7.5 Equity investments: annual changes

	2025	2024
A. Opening balance	485	550
B. Increases	-	-
B.1 Purchases	-	-
B.2 Write-backs	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	-
C. Decreases	66	65
C.1 Sales	-	-
C.2 Value adjustments	66	65
C.3 Write-downs	-	-
C.4 Other changes	-	-
D. Closing balance	419	485
E. Total revaluations	-	-
F. Total adjustments	1,980	1,913

Commitments relating to equity investments in subsidiaries

The Bank granted the subsidiary Paradisidue S.r.l. a loan account with a credit limit of €10.0m – for which the amount of €6.760m was drawn as at 31 December 2025 – for the purpose of acquiring and renovating buildings as part of bankruptcy proceedings.

SECTION 8 – PROPERTY, PLANT AND EQUIPMENT – ITEM 80

8.1 Property, plant and equipment for operational use: breakdown of assets measured at cost

Assets/Amounts	2025	2024
1. Assets owned	10,090	7,495
a) land ¹	1,950	1,950
b) buildings ²	7,452	4,841
c) furniture	182	206
d) IT equipment	51	57
e) others	454	442
2. Rights of use acquired under leases ³	92	253
a) land	-	-
b) buildings	22	188
c) furniture	-	-
d) IT equipment	-	-
e) others	70	65
Total	10,182	7,748
of which: obtained through the enforcement of guarantees received		-

- 1 This is the historical cost of the land on which the registered office in Trento stands, owned from the ground up, accounted for separately under the paragraph 58 of IAS 16.
- 2 Subject to revaluation under special laws of which: €106.3 thousand under Law no. 576/75, €409.6 thousand under Law no. 72/83, €887.7 thousand under Law no. 413/91 and €4,410.7 thousand under Law no. 342/2000.
- 3 This item includes the amounts relating to the rights of use acquired under leases recognised as assets of the Bank in accordance with IFRS 16.

8.2 Property, plant and equipment held for investment purposes: breakdown of assets measured at cost

Assets/Amounts	Carrying amount	2025			Carrying amount	2024		
		L1	L2	L3		L1	L2	L3
1. Assets owned	116	-	-	116	116	-	-	116
a) land ¹	116	-	-	116	116	-	-	116
b) buildings	-	-	-	-	-	-	-	-
2 Rights of use acquired under leases	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	116	-	-	116	116	-	-	116
of which: obtained through the enforcement of guarantees received								

- 1 This is a plot of land obtained as a result of debt recovery proceedings.

Depreciation of property, plant and equipment was calculated on a pro rata temporis basis by applying depreciation rates deemed to adequately represent the residual useful life of the assets.

<i>Land</i>	not depreciated (indefinite useful life)
<i>Lands related to buildings owned (from the ground up)</i>	not depreciated (indefinite useful life)
<i>Buildings for operational use</i>	3.00%
<i>Furniture</i>	12.00%
<i>Air conditioning and various equipment</i>	15.00%
<i>Plants and lifts</i>	7.50%
<i>Furnishings</i>	15.00%
<i>Electronic equipment</i>	20.00%
<i>Cars and motor vehicles</i>	25.00%
<i>Telephone systems</i>	12.50%

8.6 Property, plant and equipment for operational use: annual changes

	Land	Buildings	Furniture	IT equipment	Other	Total
A. Gross opening balance	1,950	11,756	2,122	738	2,371	18,936
A.1 Total net write-downs	-	6,727	1,916	682	1,863	11,188
A.2 Net opening balance	1,950	5,029	206	57	507	7,748
B. Increases:						
B.1 Purchases		2,843	2	35	208	3,088
B.2 Capitalised expenditure on improvements				20	185	3,047
B.3 Write-backs						
B.4 Positive fair value changes booked to						
a) equity						
b) income statement						
B.5 Exchange gains						
B.6 Transfers from property held for investment purposes						
B.7 Other changes		-	2	15	23	40
C. Decreases:						
C.1 Sales	-	398	25	40	190	654
C.2 Depreciation		276	23	25	121	446
C.3 Adjustments due to impairment booked to						
a) equity						
b) income statement						
C.4 Negative fair value changes booked to						
a) equity						
b) income statement						
C.5 Exchange losses						
C.6 Transfers to:						
a) property, plant and equipment held for investment purposes						
b) assets held for sale						
C.7 Other changes		121	2	-	0	124
D. Net closing balance	1,950	7,474	182	51	524	10,182
D.1 Total net write-downs		7,004	1,937	692	1,961	11,594
D.2 Gross closing balance	1,950	14,477	2,120	743	2,486	21,776
E. Measured at cost						

All assets for operational use are measured at cost inclusive of monetary revaluation under special laws.

Items B.1, B.7, C.1, C.2 and C.7 of table 8.6 also include the amounts relating to the rights-of-use acquired under leases recognised as assets of the Bank in accordance with IFRS 16.

Property, plant and equipment for operational use purchased under finance lease: annual changes

	Buildings	Other	Total
A. Gross opening balance	434	245	679
A.1 Total net write-downs	245	180	425
A.2 Net opening balance	188	65	253
B. Increases:			
B.1 Purchases		33	33
B.2 Capitalised expenditure on improvements ¹		33	33
B.7 Other changes			
C. Decreases:			
C.1 Sales			
C.2 Depreciation	44	28	72
C.7 Other changes	121		121
D. Net closing balance	22	70	92
D.1 Total net write-downs	290	208	498
D.2 Gross closing balance	312	278	590

¹ With regard to the disclosures required by IFRS 16, paragraph 53, letter h), note that no additions were made during the year to the assets consisting of rights of use.

8.7 Property, plant and equipment held for investment purposes: annual changes

No changes were recorded during the year in relation to property, plant and equipment held for investment purposes (measured at cost). Gross and net opening and closing balances, as well as the fair value measurement as at the end of the reporting period, equal to €116 thousand.

8.9 Commitments to purchase property, plant and equipment

At the end of the reporting period, the Bank had no contractual commitments for purchasing property, plant and equipment.

SECTION 9 – INTANGIBLE ASSETS – ITEM 90

9.1 Intangible assets: breakdown by type of asset

Assets/Amounts	2025		2024	
	Limited duration	Unlimited duration	Limited duration	Unlimited duration
A.1 Goodwill				
A.2 Other intangible assets	8		-	-
of which: software			-	-
A.2.1 Assets measured at cost:	8		-	-
a) Intangible assets generated internally			-	-
b) Other assets	8		-	-
A.2.2 Assets measured at fair value:			-	-
a) Intangible assets generated internally			-	-
b) Other assets			-	-
Total	8		-	-

Amortisation was calculated:

- on the basis of the expected useful life at a percentage of 33.33% with regard to application software;
- applying the rate of 20% for the software of the internal data and network infrastructure.

9.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: generated internally		Other intangible assets: others		Total
		Limited duration	Unlimited duration	Limited duration	Unlimited duration	
A. Gross opening balance				3,275		3,275
A.1 Total net write-downs				3,275		3,275
A.2 Net opening balance				-		-
B. Increases				9		9
B.1 Purchases				9		9
B.2 Increases in intangible assets generated internally						
B.3 Write-backs						
B.4 Positive fair value changes:						
- equity						
- income statement						
B.5 Exchange gains						
B.6 Other changes						
C. Decreases				2		2
C.1 Sales						
C.2 Value adjustments				2		2
- Amortisation				2		2
- Write-downs:						
+ equity						
+ income statement						
C.3 Negative changes in fair value:						
- equity						
- income statement						
C.4 Transfer to non-current assets held for sale						
C.5 Exchange losses						
C.6 Other changes						
D. Net closing balance				8		8
D.1 Net total value adjustments				3,276		3,276
E. Gross closing balance				3,284		3,284
F. Measured at cost						

Intangible assets are measured at cost.

9.3 Intangible assets: other information

The Bank does not have:

- Revaluated intangible assets;
- Intangible assets acquired by way of government concessions;
- Intangible assets pledged as collateral for liabilities;
- Commitments to purchase intangible assets;
- Leased intangible assets.

SECTION 10 – TAX ASSETS AND TAX LIABILITIES – ITEM 100 OF ASSETS AND ITEM 60 OF LIABILITIES

10.1 Deferred tax assets: breakdown

	2025	2024
	5,376	6,637
A. With contra-entry to income statement	5,070	6,039
Adjustments to loans deductible in future years	4,688	4,524
Tax losses	-	1,183
Depreciation of buildings for operational use	59	54
Other	323	278
B. With contra-entry to equity	305	598
Financial assets measured at fair value through OCI	274	564
Other	31	34

Deferred tax assets are considered fully recoverable, taking into account the expected taxable income to be generated in subsequent periods.

10.2 Deferred tax liabilities: breakdown

	2025	2024
	7,309	5,957
A. With contra-entry to income statement	4,805	4,808
Provision for credit risks	4,666	4,666
Depreciation of buildings for operational use	108	108
Change in employee leaving indemnities	31	34
B. With contra-entry to equity	2,504	1,149
Financial assets measured at fair value through OCI	2,504	1,149

Percentages used in the calculation of deferred taxes:

for IRES: 27.50%;
for IRAP: rates in force, from time to time, in the Regions of operation of the Bank in proportion to the volume of customer deposits

10.3 Change in deferred tax assets (with contra-entry to income statement)

	2025	2024
1. Opening balance	6,039	8,198
2. Increases	362	1,472
2.1 Deferred tax assets recognised during the period	198	1,368
a) related to previous periods	-	59
b) due to change in accounting policies	-	-
c) write-backs	-	-
d) other	198	1,309
2.2 New taxes or increases in tax rates	164	104
2.3 Other increases	-	0
3. Decreases	1,331	3,631
3.1 Deferred tax assets derecognised during the period	152	3,088
a) reversals	148	3,088
b) written down as now considered unrecoverable	-	-
c) change in accounting policies	-	-
d) other	4	-
3.2 Reduction in tax rates	-	0
3.3 Other decreases	1,179	543
a) transformation of tax credits pursuant to Law no. 214/2011	1,179	543
b) other	-	-
4. Final balance	5,070	6,039

10.3bis Change in deferred tax assets pursuant to Law no. 214/2011

	2025	2024
1. Opening balance	3,604	4,911
2. Increases	71	1,286
3. Decreases	1,183	2,593
3.1 Reversals	-	2,050
3.2 Transformation to tax credits	1,179	543
a) deriving from losses for the year	-	-
b) deriving from tax losses	1,179	543
3.3 Other decreases	4	-
4. Final balance	2,492	3,604

10.4 Change in deferred tax liabilities (with contra-entry to income statement)

	2025	2024
1. Opening balance	4,808	4,810
2. Increases	270	-
2.1 Deferred tax liabilities recognised during the period	-	-
a) related to previous periods	-	-
b) due to change in accounting policies	-	-
c) others	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	270	-
3. Decreases	272	3
3.1 Deferred tax liabilities derecognised during the period	272	3
a) reversals	272	3
b) due to change in accounting policies	-	-
c) others	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Final balance	4,805	4,808

10.5 Change in deferred tax assets (with contra-entry to equity)

	2025	2024
1. Opening balance	598	1,163
2. Increases	155	18
2.1 Deferred tax assets recognised during the period	9	18
a) related to previous periods		-
b) due to change in accounting policies		-
c) other ¹	9	18
2.2 New taxes or increases in tax rates	146	-
2.3 Other increases		-
3. Decreases	448	583
3.1 Deferred tax assets derecognised during the period	448	583
a) reversals	433	374
b) written down as now considered unrecoverable		-
c) due to change in accounting policies		-
d) other ¹	15	209
3.2 Reduction in tax rates		-
3.3 Other decreases		0
4. Final balance	305	598

1 The amount refers to deferred tax assets on changes in fair value of financial assets measured at fair value through other comprehensive income.

10.6 Change in deferred tax liabilities (with contra-entry to equity)

	2025	2024
1. Opening balance	1,149	755
2. Increases	1,854	527
2.1 Deferred tax liabilities recognised during the period	1,854	527
a) related to previous periods		-
b) due to change in accounting policies		-
c) other ¹	1,854	527
2.2 New taxes or increases in tax rates		-
2.3 Other increases		-
3. Decreases	499	133
3.1 Deferred tax liabilities derecognised during the period	230	133
a) reversals	230	1
b) due to change in accounting policies		0
c) other ¹		132
3.2 Reduction in tax rates		-
3.3 Other decreases	270	-
4. Final balance	2,504	1,149

1 The amount refers to deferred tax liabilities on changes in fair value of financial assets measured at fair value through other comprehensive income.

10.7 Other information

The item "current tax assets" amounts to €2.623m and refers for €0.724m to the net balance of IRES credits/advance payments (€2.497m) and the IRES provision for the year (€1.773m), for €0.543m to the tax credit on the 2023 tax losses, for €1.179m to the tax credit on the 2024 tax losses and for €178 thousand to withholding tax incurred; in 2024, the item was equal to €2.184m and referred for €1.517m to the net balance of IRES and IRAP prepayments made (€1.527m) and the IRAP provision for the year (€11 thousand), for €543 thousand to tax credits against the 2023 tax losses, for €1 thousand, to the tax credit for investments in operating assets made in 2020, and for €124 thousand for the withholdings.

The item "current tax liabilities" amounts to €0.182m and relates to the net balance between IRAP credits/advance payments made (€0.545m) and the IRAP provision for the financial year (€0.727m); this item stood at zero in 2024.

In relation to the deferred tax assets pursuant to Law no. 214/2014 of €2.5m, relating entirely to adjustments to receivables deductible in future years, by contrast it should be noted that, in compliance with the contents of the joint Bank of Italy/Ivass/CONSOB document of 15 May 2012, the so-called probability test is considered automatically satisfied given there is substantial certainty as to their full recovery.

SECTION 12 – OTHER ASSETS – ITEM 120

12.1 Other assets: breakdown

	2025	2024
Tax assets (indirect taxes and substitute tax)	9,007	17,499
Tax credits purchased ¹	7,389	11,024
Amounts due in relation to invoices – issued or not	5,929	4,192
Various prepayments and advances	1,452	1,242
Accrued income and prepayments	388	441
Items in processing	328	267
Receivables from transferees of equity investments	313	-
Contributions to be collected	233	238
Amounts due for unpaid commissions	1	1
Other items	-	-
Total	25,041	34,905

- 1 The amount refers to the home improvement tax credits purchased by the Bank. These credits are accounted for and valued using the criteria indicated in part A of the Notes to the Financial Statements, Section A.2, Section 16.3 "Purchase of tax credits".

LIABILITIES

SECTION 1 – FINANCIAL LIABILITIES MEASURED AT AMORTISED COST – ITEM 10

1.1 Financial liabilities measured at amortised cost: breakdown by type of due to banks

Type of transaction / Amounts	2025				2024			
	BV	FAIR VALUE			BV	FAIR VALUE		
		L1	L2	L3		L1	L2	L3
1. Amounts due to central banks	70,038				0			
2. Due to banks	86,110				90,685			
2.1 Current accounts and demand deposits	62				1,789			
2.2 Time deposits	38,263				39,507			
2.3 Loans	47,785				49,389			
2.3.1 Repurchase agreements					-			
2.3.2 Others	47,785				49,389			
2.4 Liabilities in respect of commitments to repurchase treasury shares					-			
2.5 Lease payables					-			
2.6 Other amounts due					-			
Total	156,148	-	147,975	62	90,685	-	84,462	1,789

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

Type of transaction / Amounts	2025				2024			
	BV	FAIR VALUE			BV	FAIR VALUE		
		L1	L2	L3		L1	L2	L3
1 Current accounts and demand deposits	390,209				266,195			
2 Time deposits	696,791				856,186			
3 Loans	55,795				55,214			
3.1 Repurchase agreements					-			
3.2 Others	55,795				55,214			
4 Liabilities in respect of commitments to repurchase treasury shares					-			
5 Lease payables	93				255			
6 Other amounts due	8,413				10,935			
Total	1,151,301	-	740,889	398,715	1,188,785	-	888,240	277,385

- 1 According to supervisory regulations, the item "Other amounts due" includes funds managed on behalf of third parties to the amount of €8,413 thousand in 2025 and €10,935 thousand in 2024.

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

Type of transaction / Amounts	2025				2024			
	BV	FAIR VALUE			BV	FAIR VALUE		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. Bonds	21,122		21,360		61,530	-	61,792	-
1.1 structured					-	-	-	-
1.2 others	21,122		21,360		61,530	-	61,792	-
2. Other securities					-	-	-	-
2.1 structured					-	-	-	-
2.2 others					-	-	-	-
Total	21,122		21,360		61,530	-	61,792	-

The Fair Value of debt securities in issue is classified under level 2 because it is determined using measurement models based on market parameters (yield curve) other than quotations of the financial instrument. This also refers to bonds that had been issued in the context of the EMTN programme and that are listed on the Luxembourg stock exchange which, according to the rules adopted by the Bank in relation to fair value hierarchy, does not make at least two recent executable prices continuously available with a bid-ask spread under an interval deemed to be consistent.

1.6 Lease payables

Items/Amounts	31/12/2025				31/12/2024		
	Minimum future payments	Present value of minimum future payments	Deferred financial income		Minimum future payments	Present value of minimum future payments	Deferred financial income
Within 1 year	37	35	2		72	69	3
1 – 5 years	61	59	3		192	187	5
Over 5 years	-	-	-		-	-	-
Total	98	93	5		264	255	9

SECTION 2 – FINANCIAL LIABILITIES HELD FOR TRADING – ITEM 20

2.1 Financial liabilities held for trading: breakdown by type

Type of transaction/Amounts	2025					2024				
	NV	FV			FV *	NV	FV			FV *
		Lev. 1	Lev. 2	Lev. 3			Lev. 1	Lev. 2	Lev. 3	
A. Cash liabilities										
1. Due to banks										
2. Due to customers										
3. Debt securities										
3.1 Bonds										
3.1.1 Structured										
3.1.2 Other bonds										
3.2 Other securities										
3.1.1 Structured										
3.1.2 Others										
Total A										
B. Derivative instruments										
1. Financial derivatives	43,357		1,434		1,434	40,175		1,247		1,247
1.1 Held for trading			1,434					1,247		
1.2 Related to fair value option										
1.3 Others										
2. Credit derivatives										
2.1 Held for trading										
2.2 Related to fair value option										
2.3 Others										
Total B			1,434					1,247		
Total (A+B)			1,434					1,247		

Legend

FV* = fair value calculated without including value changes due to change in creditworthiness of issuer since the date of issue.

The Bank has no derivative contracts in its portfolio with its own liabilities as underlying.

During the year, there were no changes in the fair value of derivatives attributable to the change in the Bank's creditworthiness.

Financial cash liabilities held for trading (excluding "uncovered short positions"): annual changes

Financial trading derivatives	
A. Opening balance	1,247
B. Increases	584
B1. Issues	-
B2. Sales	-
B3. Positive changes in fair value	558
B4. Other changes	26
C. Decreases	397
C1. Purchases	-
C2. Redemptions	-
C3. Negative changes in fair value	293
C4. Other changes	104
D. Closing balance	1,434

SECTION 6 – TAX LIABILITIES – ITEM 60

See section 10 of Assets.

SECTION 8 – OTHER LIABILITIES – ITEM 80

8.1 Other liabilities: breakdown

	2025	2024
Amounts due to suppliers ¹	7,712	7,287
Illiquid assets	4,267	3,999
Withholdings and substitute tax to be paid	37	3,805
Items in processing ²	1,122	1,046
Amounts due to third parties ³	1,184	1,035
Commission fees to be paid	335	308
Withholdings on employee compensation	285	285
Accrued liabilities and deferred income	95	112
Other items	1	4
Total	15,039	17,881

- 1 The amount refers for €7.336m to invoices relating to lease activities for contracts not yet signed (€6.808m in 2024).
- 2 These relate, for the most part, to amounts of €389 thousand to be charged to customer accounts (compared with €111 thousand in 2024) and to €257 thousand in advance payments received from lessees upon the signing of capital goods lease contracts, where the leased asset has not yet been delivered (€366 thousand in 2024).
- 3 These relate, for the most part, to the payable for the monetisation of holidays and leave time not used of €417 thousand (€436 thousand in 2024), to the amount due for the recognition of the extra time of managerial staff of €45 thousand (€45 thousand in 2024) and to the payable for 2025 company bonuses of €250 thousand (€95 thousand in 2024).

SECTION 9 – PROVISION FOR SEVERANCE INDEMNITIES – ITEM 90

9.1 Provision for severance indemnities: annual changes

	2025	2024
A. Opening balance	1,093	1,106
B. Increases	37	39
B.1 Provisions for the year ¹	37	39
B.2 Other changes	0	-
C. Decreases	117	52
C.1 Indemnities paid	103	38
C.2 Other changes ²	14	14
D. Closing balance	1,013	1,093

- 1 The amount corresponds to the provisions shown in table 9.1 "Payroll: breakdown" of Part C "Information on the income statement".
- 2 In 2024, this item included the amount relating to actuarial gains recognised as a contra entry to the specific equity reserve (€9 thousand) as well as the use to cover the substitute tax (€4 thousand).

9.2 Other information

Pursuant to IAS 19 paragraphs 64 and 65, the Provision for severance indemnities is calculated utilising the "Projected Unit Credit Cost Method" (also known as accrued benefits valuation method or as benefit method/working years). According to this method, the liability is calculated in proportion to the services already rendered at the reporting date with respect to those which could presumably be rendered in total.

To be more precise, the work of the actuary is structured into the following phases:

- projection on the basis of a series of economic and financial hypotheses of the future amounts that could be disbursed to each employee in the case of retirement, death, disability, resignation, request for early payment, etc. The estimate includes future revaluations as for Article 2120 of the Italian Civil Code;
- calculation of the average present value of the flows regarding the future payment on the basis of the yearly discount rate adopted and of the probability that each amount has of being disbursed;
- assessment of the liabilities by relating the average present value of the flows regarding the future payment to the service already rendered by the employee at the date of valuation;
- identification of the provision valid under IAS – on the basis of the determined liabilities and amounts set aside in the reserve.

According to IAS 19 paragraph 78 the discount rate must be selected so that, for the maturities of the items being measured, it coincides with the rate of return guaranteed at the measurement date by bonds issued by leading companies and institutions.

SECTION 10 – PROVISIONS FOR RISKS AND CHARGES – ITEM 100

10.1 Provisions for risks and charges: breakdown

Items/Amounts	2025	2024
1. Provisions for credit risk related to commitments and financial guarantees issued	119	123
2. Provisions on other commitments and other guarantees issued	-	-
3. Post-retirement benefit obligations	-	-
4. Other provisions for risks and charges	1,845	1,391
4.1 legal disputes	471	100
4.2 personnel expenses	375	365
4.3 others	999	926
Total	1,965	1,514

10.2 Provisions for risks and charges: annual changes

The table shows the annual changes in provisions for risks and charges with the exception of those in the item "provisions for credit risk related to commitments and financial guarantees issued", which must be recognised in table A.1.4 of part E, to which reference is made.

	Provisions on other commitments and other guarantees issued	Post-retirement benefit obligations	Other provisions for risks and charges	Total
A. Opening balance	123	-	1,391	1,514
B. Increases	56		1,151	1,208
B.1 Provisions for the year ¹	56		846	903
B.2 Changes over time				
B.3 Changes due to discount rate adjustments				
B.4 Other changes ²			305	305
C. Decreases	60		697	757
C.1 Use during the year ³			552	552
C.2 Changes due to discount rate adjustments				
C.3 Other changes ⁴	60		145	205
D. Closing balance	119		1,845	1,965

1 The amount shown under "Other provisions for risks and charges" comprises €375 thousand in provisions for staff bonuses and €471 thousand in provisions for legal proceedings involving the Bank.

2 This amount relates to the portion of the profit for 2024 allocated to the provision as per Article 21 of the By-laws.

3 This amount is made up of €232 thousand for donations as per Article 21 of the By-laws and of €320 thousand for the payment of the performance bonus to personnel.

4 The amount indicated in the other provisions for risks and charges refers to the portion allocated for the personnel bonus system in 2024, with €45 thousand not used, and the write-back of €100 thousand on a legal dispute that the Bank won.

10.3 Provisions for credit risk related to commitments and financial guarantees issued

	Provisions for credit risk related to commitments and financial guarantees issued			Total
	Stage 1	Stage 2	Stage 3	
Commitments to disburse funds	89			89
Financial guarantees issued	30			30
Total	119			119

10.6 Provisions for risks and charges – other provisions

The item "legal disputes" is made up of sums set-aside for uncertain expenses in connection with ongoing disputes.

The item "other provisions" covers the total amount of the provision under Article 21 of the By-laws which is at the disposal of the Board of Directors for supporting initiatives in social-economic, research, study, charitable and promotional fields.

The provision for "personnel expenses" is made up, if present, of amounts set aside to cover the cost of the provision for personnel incentive schemes.

SECTION 12 – EQUITY OF THE COMPANY – ITEMS 110, 130, 140, 150, 160, 170 AND 180

12.1 "Share capital" and "Treasury shares": breakdown

The fully paid up share capital is €58,484,608.00 represented by 112,470,400 ordinary shares of a nominal €0.52 each.

12.2 Share capital – Number of shares: annual changes

Item/Types	Ordinary	Other
A. Shares in issue at the beginning of the year	112,470	
- fully paid up		
- not fully paid up		
A.1 Treasury shares (-)	-	
A.2 Shares in issue: opening balance	112,470	
B. Increases	-	
B.1 New issues		
- against payment:		
- business combinations		
- conversion of bonds		
- exercise of warrants		
- others		
- on a free basis:		
- in favour of employees		
- in favour of directors		
- others		
B.2 Sale of treasury shares		
B.3 Other changes		
C. Decreases	-	
C.1 Cancellation		
C.2 Purchase of treasury shares		
C.3 Sale of companies		
C.4 Other changes		
D. Shares in issue: closing balance	112,470	
D.1 Treasury shares (+)	-	
D.2 Shares in issue at the end of the year	112,470	
- fully paid up	112,470	
- not fully paid up	-	

12.4 PROFIT RESERVES: OTHER INFORMATION

Relating to this section, please see the "Statement of changes in equity".

The following table shows the nature and purpose of each reserve included in equity, as per paragraph 79 of IAS 1 letter b) and Article 2427, paragraph 7-bis of the Italian Civil Code.

Nature/Description	Amount	Possible use	Available amount	of which distributable portion
Capital reserves:	29,841		29,841	29,841
- Additional paid-in capital ¹	29,841		29,841	29,841
Profit reserves:	106,249		101,495	91,748
- Non-distributable legal reserve ²	11,697		-	-
- Available legal reserve	8,394		8,394	8,394
- Statutory reserves	69,959		69,959	69,959
- Reserve under Legislative Decree no. 38/2005	2,655		-	-
- Reserve pursuant to IFRS 9 FTA	(9,746)		-	(9,746)
- OCI securities option disposal reserve	4,205		4,205	4,205
- Non-distributable reserve under Article 6 of Legislative Decree no. 38/2005	149		-	-
- Other reserves	18,936		18,936	18,936
Valuation reserves:	29,300		4,318	-
- Valuation reserve under Laws no. 413/91 and 342/2000	4,318		4,318	-
- Reserve under Legislative Decree no. 38/2005: revaluation of OCI securities	25,357		-	-
- Reserve under Legislative Decree no. 38/2005: pension plans	(375)		-	-
Total	165,391		135,655	121,590

Legend:

A: for share capital increases

B: to cover losses

C: for distribution to the shareholders

¹ According to Article 2431 of the Italian Civil Code, the whole amount of this reserve can be distributed only on condition that the legal reserve has reached the limit set forth by Article 2430 of the Italian Civil Code.

² The use of the legal reserve must comply with the limits set forth by Article 2430 of the Italian Civil Code. The non-distributable portion is equal to 20% of share capital.

Proposal for the allocation of the net profit

The net profit for financial year 2025 amounted to €6,176,406.99.

Having said that, the Board of Directors proposes the following allocation of profit for the year:

Profit for the year	6,176,406.99
- non-distributable reserves under Article 6, paragraph 2 of Legislative Decree no. 38/2005 freed during the year	66,000.00
- allocation to non-distributable reserves under Article 6, paragraph 2 of Legislative Decree no. 38/2005	-
Distributable amount	6,242,406.99
- at the disposal of the Board of Directors for initiatives as per Article 21 of the By-laws	310,000.00
- dividend to distribute to shareholders (€0.030 for the 112,470,400 shares which corresponds to 5.769% of their nominal value)	3,374,112.00
- further allocation to the extraordinary reserve	2,558,294.99

OTHER INFORMATION

1. Commitments and financial guarantees issued other than those designated at fair value

Transactions	Notional value on commitments and financial guarantees issued				2025	2024
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired		
Commitments to disburse funds	15,993				15,993	17,030
a) Central Banks	-				-	-
b) Public administrations	-				-	-
c) Banks	-				-	-
d) Other financial corporations	8,774				8,774	9,274
e) Non-financial corporations	7,219				7,219	7,756
f) Households	-				-	-
Financial guarantees issued	6,426				6,426	16,190
a) Central Banks	-				-	-
b) Public administrations	-				-	10
c) Banks	1,033				1,033	1,033
d) Other financial corporations	-				-	587
e) Non-financial corporations	5,393				5,393	14,560
f) Households	-				-	-

3. Assets used to guarantee own liabilities and commitments

Portfolios	2025	2024
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-
3. Financial assets measured at amortised cost	282,947	95,192
4. Property, plant and equipment	-	-
of which: Property, plant and equipment that constitute stocks	-	-

Eurosystem credit operations

Securities not recognised in assets in the statement of financial position to guarantee borrowings

Loans and advances to customers to guarantee mortgage borrowings

Full information on the assets recorded and not registered in the accounts pledged as collateral for liabilities and loans (including credit operations with the Eurosystem) is given in the sections "Disclosure on on-balance sheet assets pledged as a guarantee" and "Disclosure on off-balance sheet owned assets pledged as a guarantee" (Part E, Sec. 4).

4. Management and brokerage on behalf of third parties

Type of services	2025	2024
1. Trading of financial instruments on behalf of customers	-	-
a) Purchases	-	-
1. settled	-	-
2. not settled	-	-
b) Sales	-	-
1. settled	-	-
2. not settled	-	-
2. Individual portfolio management	-	-
3. Custody and administration of securities	425,746	370,185
a) third party securities on deposit: connected with performance as custodian bank (excluding asset management)	-	-
1. securities issued by the Bank that prepares the financial statements	-	-
2. other securities	-	-
b) third-party securities on deposit (excluding portfolio management): other	37,700	30,423
1. securities issued by the Bank that prepares the financial statements	27,775	27,775
2. other securities	9,925	2,648
c) third-party securities on deposit with third parties	9,925	2,648
d) own securities on deposit with third parties ¹	388,045	339,762
4. Other transactions	261	261
of which Risk provisions set up by various entities	260	260
Management of state contributions under Law no. 488/92	1	1

- 1 This item includes Senior, Mezzanine and Junior securities originating from the securitisation transaction and lodged with Cassa Centrale Banca S.p.A. for the overall amount of €2.0m in 2025 and €2.7m in 2024.

Financial cash assets: annual changes

The following table shows the annual changes in the debt securities, equity securities and investments in UCITS in the Bank's portfolio.

	FVTPL	FVTPL	OCI Option	HTCS	HTC	Total
	Debt securities	Investments in UCITS	Equity securities	Debt securities	Debt securities	
A. Opening balance	3,847	18,204	64,992	99,912	249,142	436,097
B. Increases	11	2,089	21,439	163,438	151,064	338,041
B1. Purchases	11	1,590	6,832	158,318	148,472	315,213
B2. Positive changes in fair value	-	499	12,536	2,641	-	15,686
B3. Write-backs due to impairment ¹	-	-	-	19	441	459
B4. Gains on sale:	-	-	2,071	668	179	2,918
- recognised in income statement ²	-	-	-	668	179	847
- recognised in equity	-	-	2,071	-	-	2,071
B5. Transfers from other portfolios	-	-	-	-	-	-
B6. Other changes ³	-	-	-	1,792	1,971	3,764
C. Decreases	86	1,351	6,597	102,487	161,527	272,048
C1. Sales	-	-	6,412	79,097	83,333	168,842
C2. Redemptions	-	993	-	20,021	74,660	95,674
C3. Negative changes in fair value	0	358	185	2	-	545
C4. Adjustments due to impairment ¹	-	-	-	13	688	701
C5. Capital loss on sale:	-	-	-	1,034	2,846	3,880
- recognised in income statement	-	-	-	1,034	2,846	3,880
- recognised in equity	-	-	-	-	-	-
C5. Transfers to other portfolios	-	-	-	-	-	-
C6. Other changes ⁴	86	-	-	2,319	-	2,405
D. Closing balance	3,772	18,942	79,834	160,863	238,679	502,090

1 The items B3. and C4. include adjustments/write-backs due to impairment; for HTCS securities this amount was recognised as a contra-entry to the valuation reserve and is therefore included, with a reverse sign, in items B6. and C6.

2 This item includes the capital gains realised during the year.

3 This item includes:

- with regard to HTCS debt securities, in addition to the aforementioned effect of value adjustments due to impairment (€13 thousand), the change in amortised cost (€443 thousand) and the reversal of the positive reserve following the sale of government securities (€1.337m);
- with regard to HTC debt securities, the change in amortised cost.

4 This item includes:

- with regard to FVTPL debt securities, the change in amortised cost;
- with regard to HTCS debt securities, in addition to the aforementioned effect of write-backs due to impairment (€19 thousand), the change in amortised cost (€2.062m) and the reversal of the negative reserve following the sale of government securities (€0.238m);
- with regard to HTC debt securities, the change in amortised cost.

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 ¹	Lo-ans	Other transactions	Total 2025	Total 2024
1. Financial assets measured at fair value through profit or loss	281	1	-	282	93
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	281	1	-	282	93
2. Financial assets measured at fair value through other comprehensive income	4,153	-	-	4,153	3,880
3. Financial assets measured at amortised cost	6,504	39,900	-	46,403	61,345
3.1 Loans and advances to banks	230	2,294	-	2,524	4,544
3.2 Loans and advances to customers	6,274	37,606	-	43,879	56,801
4. Hedging derivatives	-	-	-	-	-
5. Other assets	-	-	631	631	673
6. Financial liabilities	-	-	-	-	-
Total	10,938	39,901	631	51,470	65,991
of which: interest income on impaired assets	14	791	-	806	1,046
of which: interest income on finance leases	-	8,839	-	8,839	9,812

Changes in connection with interest income – with respect to the results of the year of comparison (2023) – are shown in the Report on Operations in the section "Income statement dynamics", to which reference should be made.

We also state that:

1 Interest income on debt securities consist of:

- coupons collected on a subordinated bond issued by an insurance counterparty purchased by the Bank with the aim of financing the issuer and on a mezzanine tranche issued as part of an NPL securitisation transaction carried out at the end of 2020, and a security issued by a SPV as part of a securitisation transaction in which the Bank acted as subscriber only, which did not pass the SPPI test (item Other financial assets mandatorily measured at fair value);
- coupons collected on bonds issued by non-banking corporations (see item "financial assets measured at amortised cost – loans and advances to customers") that the Bank purchased for the purpose of financing the issuers;
- coupons collected on government bonds and bonds issued by banks (see item "financial assets measured at fair value through other comprehensive income", item "loans and advances to banks" and item "loans and advances to customers") purchased by the Bank with the intention of using them as collateral for loans by the European Central Bank or other counterparties.

Their balances are shown on tables 2.5, 3.1, 4.1 and 4.2 of Part B – Section 2, 3 and 4, respectively.

The line "of which: interest income on impaired financial assets" includes only interest calculated on the basis of the effective interest rate, including interest due to the passage of time, determined with reference to the interest accrued over the entire year on positions held by customers classified as at 31 December 2025 as impaired loans (doubtful, unlikely to pay, past due loans). For information purposes, note that interest on arrears received during the year on the same transactions amounted to €362 thousand (€418 thousand in 2024).

1.2 Interest income and similar revenues: other information

1.2.1 Interest income from financial assets denominated in currency

	2025	2024
Interest income from financial assets denominated in currency	-	-

1.3 Interest expense and similar charges: breakdown

Items/Technical Forms	Amounts due	Securities ¹	Other Transactions	Total 2025	Total 2024
1. Financial liabilities measured at amortised cost	33,610	1,947	-	35,557	48,694
1.1 Due to central banks	-			-	-
1.2 Due to banks	1,361			1,361	9,295
1.3 Due to customers	32,249			32,249	36,369
1.4 Debt securities in issue		1,947		1,947	3,030
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions			-	-	-
5. Hedging derivatives			-	-	-
6. Financial assets			-	-	-
Total	33,610	1,947	-	35,557	48,694
of which: interest expense related to lease payables					4

Changes in connection with interest expense – with respect to the results of the year of comparison (2024) – are shown in the Report on Operations in the section "Income statement dynamics", to which reference should be made.

We also state that:

- Interest expense accrued on securities relates to bonds issued by the Bank and classified under item 10.c of liabilities in the statement of financial position. Interest expense has been calculated – in relation to items recognised at amortised cost – using the effective interest rate method.

1.4 Interest expense and similar charges: other information

1.4.1 Interest expense on liabilities denominated in currency

	2025	2024
Interest expense on liabilities denominated in currency	-	-

SECTION 2 – FEES & COMMISSIONS – ITEMS 40 & 50

2.1 Commission income: breakdown

Type of services/Amounts	2025	2024
a) Financial instruments	-	-
1. Placement of securities	-	-
1.1. With underwriting and/or based on an irrevocable commitment	-	-
1.2. Without irrevocable commitment	-	-
2. Collection and transmission of orders and execution of orders on behalf of customers	-	-
2.1. Collection and transmission of orders of one or more financial instruments	-	-
2.2. Execution of orders on behalf of customers	-	-
3. Other commissions connected with activities linked to financial instruments	-	-
of which: trading on own account	-	-
of which: individual portfolio management	-	-
b) Corporate finance	741	752
1. Mergers and acquisitions consultancy	-	-
2. Treasury services	-	-
3. Other commissions associated with corporate finance services	741	752
c) Investment consultancy	-	-
d) Clearing and settlement	-	-
e) Custody and administration	-	-
1. Custodian bank	-	-
2. Other commissions associated to custody and administration	-	-
f) Central administrative services for collective portfolio management	-	-
g) Fiduciary activity	-	-
h) Payment services	0	0
1. Current accounts	-	-
2. Credit cards	-	-
3. Debit and other payment cards	-	-
4. Wire transfers and other payment orders	-	-
5. Other commissions associated to payment services	0	0
i) Distribution of third party services	-	-
1. Collective portfolio management	-	-
2. Insurance products	-	-
3. Other products	-	-
of which: individual portfolio management	-	-
j) Structured finance	-	-
k) Securitisation servicing	-	-
l) Commitments to disburse funds	-	-
m) Financial guarantees issued	37	61
of which: credit derivatives	-	-
n) Financing transactions	1,641	1,928
of which: factoring transactions	-	-
o) Dealing in currency	-	-
p) Goods	-	-
q) Other fee and commission income	-	-
of which: for the management of multilateral trading facilities	-	-
of which: for the management of organised trading facilities	-	-
Total	2,419	2,741

Changes of single items with respect to the data for the year of comparison (2024) are illustrated and explained in the Report on Operations in the section "Income statement dynamics", to which reference should be made.

2.3 Fee and commission expenses: breakdown

Services/Amounts	2025	2024
a) Financial instruments	-	-
of which: trading of financial instruments	-	-
of which: placement of financial instruments	-	-
of which: individual portfolio management	-	-
- own portfolio	-	-
- delegated to third parties	-	-
b) Clearing and settlement	-	-
c) Custody and administration	25	27
d) Collection and payment services	6	5
of which: credit, debit and other payment cards	-	-
e) Securitisation servicing	-	-
f) Commitments to receive funds	-	-
g) Financial guarantees received	6	24
of which: credit derivatives	-	-
h) Door-to-door distribution of financial instruments, products and services	-	-
i) Dealing in currency	-	-
j) Other fee and commission expenses ¹	825	883
k) Securities lending transactions	-	-
Total	862	939

Changes of single items with respect to the data for the year of comparison (2024) are adequately illustrated and explained in the Report on Operations in the section "Income statement dynamics", to which reference should be made.

1 Of which, €390 thousand is for commissions to guarantee funds, €347 thousand is for the Raisin intermediation platform and €50 thousand is for the processing service of funding applications.

SECTION 3 – DIVIDENDS AND SIMILAR INCOME – ITEM 70

3.1 Dividends and similar income: breakdown¹

Items/Income	2025		2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading		676		447
B. Financial assets mandatorily measured at fair value				
C. Financial assets measured at fair value through other comprehensive income	3,384		3,411	
D. Equity investments				
Total	3,384	676	3,411	447

1 Changes of single items with respect to the data for the year of comparison are illustrated and explained in the Report on Operations in the section "Income statement dynamics", to which reference should be made.

All dividends and similar income shown in the table refer to investments held at the end of the reporting period.

SECTION 4 – NET TRADING INCOME – ITEM 80

4.1 Net trading income: breakdown

Transactions/Income components	Capital gains (A) ¹	Trading profits (B) ²	Capital losses (C) ³	Trading losses (D) ⁴	Net result [(A+B) - (C+D)]
1. Financial assets held for trading					
1.1 Debt securities					
1.2 Equity securities					
1.3 Investments in UCITS					
1.4 Loans					
1.5 Others					
2. Financial liabilities held for trading					
2.1 Debt securities					
2.2 Amounts due					
2.3 Others					
3. Other financial assets and liabilities: exchange differences					
4. Derivatives	878	877	856	747	152
4.1 Financial derivatives:	878	877	856	747	152
- On debt securities and interest rates	878	877	856	747	152
- On equity securities and share indices					
- On currencies and gold					
- Other					
4.2 Credit derivatives					
of which: natural hedges related to the fair value option					
Total	878	877	856	747	152

- The item "Capital gains" includes positive fair value changes accrued on Cap options purchased by banks for €0.585m and the negative fair value changes on Cap options sold to customers for €0.293m.
- The item "Trading profits" includes the premium collected for the sale of cap options to customers for €0.631m and for the early closure of cap options purchased from banks for €0.047m and the spreads on the options purchased from banks for €0.199m.
- The item "Capital losses" includes positive fair value changes accrued on Cap options sold to customers for €0.558m and the negative fair value changes on Cap options purchased by banks for €0.298m thousand.
- The item "Trading losses" includes the premium paid for the purchase from banks of cap options for €0.523m and for the early closure of cap options sold to customers for €0.025m and the spreads on options sold to customers for €0.199m.

SECTION 6 – GAINS (LOSSES) ON DISPOSAL/REPURCHASE – ITEM 100

6.1 Gains (losses) on disposal/repurchase: breakdown

Items/Income components	2025		Net result
	Gains	Losses	
A. Financial assets	2,560	3,900	(1,340)
1. Financial assets measured at amortised cost:	1,890	2,864	(973)
1.1 Loans and advances to banks	-	-	-
1.2 Loans and advances to customers ¹	1,890	2,864	(973)
2. Financial assets measured at fair value through other comprehensive income	670	1,036	(366)
2.1 Debt securities ²	670	1,036	(366)
2.2 Loans	-	-	-
Total assets	2,560	3,900	(1,340)
B. Financial liabilities measured at amortised cost	-	-	-
1. Due to banks	-	-	-
2. Due to customers	-	-	-
3. Debt securities in issue	-	-	-
Total liabilities	-	-	-

- With regard to profits, the amounts mainly refer to the capital gain resulting from the sale of NPLs for €1.704m and from the disposal of government securities amounting to €0.187m; as regards losses, the amounts refer to the capital loss deriving from the sale of government bonds for €2.864m.
- The amounts relate to the capital losses realised on the sale of government securities.

P A R T C
I N F O R M A T I O N O N T H E I N C O M E
S T A T E M E N T

Items / Income components	2024		
	Gains	Losses	Net result
A. Financial assets	1,289	5,906	(4,617)
1. Financial assets measured at amortised cost:	1,287	5,130	(3,843)
1.1 Loans and advances to banks	-	-	-
1.2 Loans and advances to customers ¹	1,287	5,130	(3,843)
2. Financial assets measured at fair value through other comprehensive income	2	776	(773)
2.1 Debt securities ²	2	776	(773)
2.2 Loans	-	-	-
Total assets	1,289	5,906	(4,617)
B. Financial liabilities measured at amortised cost	0	-	0
1. Due to banks	-	-	-
2. Due to customers	-	-	-
3. Debt securities in issue	0	-	0
Total liabilities	0	-	0

- 1 With regard to profits, the amounts mainly refer to the capital gain resulting from the sale of NPLs for €1.239m; as regards losses, the amounts refer to the capital loss deriving from the sale of NPLs for €1.823m and the capital loss from the sale of government securities for €3.307m.
- 2 The amounts relate to the capital losses realised on the sale of government securities.

SECTION 7 – NET CHANGE IN FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 110

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

Transactions / Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net result [(A+B) - (C+D)]
1. Financial assets held for trading	509	-	358	-	151
1.1 Debt securities	11 ¹	-	0	-	11
1.2 Equity securities	-	-	-	-	-
1.3 Investments in UCITS	498 ²	-	358 ³	-	140
1.4 Loans	-	-	-	-	-
2. Other financial assets and liabilities: exchange differences					-
Total	509	-	358	-	151

- 1 The amount refers, for €11 thousand, to the positive change in fair value of the ITAS Mutua bond.
- 2 The amount relates to the positive change in fair value of units in the Finint Fenice fund for €28 thousand, units in the closed-end Equita Private Debt II fund for €141 thousand, units in the Nextalia Credit Opportunities fund for €29 thousand, units in the PMI Italia III fund for €11 thousand, units in the Industry 4.0 fund for €40 thousand, units of the Sviluppo PMI II fund for €193 thousand, units of the Made in Italy Fund for €35 thousand, units of the Equita Private Debt III fund for €17 thousand and units of the Ver Capital Sinloc Transition Energy fund for €5 thousand.
- 3 The amounts relate to the negative change in fair value of units in the Assietta Private Equity III fund for €100 thousand, the HAT-Technology & Innovation fund for €101 thousand, the Assietta Private Equity IV fund for €62 thousand, the PMI Italia II fund for €17 thousand, the Sustainable Securities Fund for €4 thousand, the Nextalia Private Equity fund for €62 thousand and the Progressio Investimenti IV fund for €12 thousand.

No write-downs or losses from disposal were recognised during the year due to loan impairment of the debtor/issuer.

P A R T C
I N F O R M A T I O N O N T H E I N C O M E
S T A T E M E N T

SECTION 8 – NET ADJUSTMENTS DUE TO CREDIT RISK – ITEM 130

8.1 Net adjustments due to credit risk relating to financial assets measured at amortised cost: breakdown

Transactions/Income components	Value adjustments (1)						Write-backs (2)				Total 2025	Total 2024
	Stage 1	Stage 2	Stage 3		Acquired or originated impaired		Stage 1	Stage 2	Stage 3	Acquired or originated impaired		
			Write-off	Other	Write-off	Other						
A. Loans and advances to banks	5	-	-	-	-	-	-	-	-	-	(5)	54
- loans	2	-	-	-	-	-	-	-	-	-	(2)	36
- debt securities	2	-	-	-	-	-	-	-	-	-	(2)	18
B. Loans and advances to customers	2,703	-	1	6,453	-	-	-	5,385	5,003	-	1,231	2,784
- loans	2,687	-	1	6,180	-	-	-	5,351	5,003	-	1,487	2,625
- debt securities	16	-	-	273	-	-	-	34	-	-	(255)	158
Total¹	2,707	-	1	6,453	-	-	-	5,385	5,003	-	1,227	2,838

1 Total write-backs for €1,227 thousand correspond, net of write-backs due to time-reversal (€79 thousand) and value adjustments on interest (€143 thousand), which are included in the financial statements under the item "10. Interest income", to the item "Value adjustments on HTC loans and advances" (€1,162 thousand in adjustments) in the table summarising the measurement of financial statement assets in the report on operations.

Net adjustments due to credit risk relating to new liquidity granted through public guarantee mechanisms issued in relation to the COVID-19 context: breakdown

Transactions/Income components	Net value adjustments						Total 2025	Total 2024
	Stage 1	Stage 2	Stage 3		Acquired or originated impaired			
			Write-off	Other	Write-off	Other		
Loans	16	36	-	(110)	-	-	(58)	(73)
Total	16	36	-	(110)	-	-	(58)	(73)

8.2 Net adjustments due to credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income components	Value adjustments (1)						Write-backs (2)				Total 2025	Total 2024
	Stage 1	Stage 2	Stage 3		Acquired or originated impaired		Stage 1	Stage 2	Stage 3	Acquired or originated impaired		
			Write-off	Other	Write-off	Other						
A. Debt securities	22	-	-	-	-	-	17	-	-	-	(5)	16
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- to customers	-	-	-	-	-	-	-	-	-	-	-	-
- to banks	-	-	-	-	-	-	-	-	-	-	-	-
Total¹	22	-	-	-	-	-	17	-	-	-	(5)	16

1 The total of €16 thousand in adjustments coincides with the item "Value adjustments on HTCS debt securities" in the table summarising the measurement of financial statement assets in the report on operations.

8.2a Net value adjustments due to credit risk relating to loans measured at fair value through other comprehensive income, subject to COVID-19 support measures: breakdown

The Bank has no loans measured at fair value through other comprehensive income in its portfolio.

SECTION 9 – PROFITS/LOSSES FROM CONTRACTUAL CHANGES WITHOUT DERECOGNITIONS – ITEM 140

9.1 Profits (losses) from contractual changes: breakdown

	Value adjustments	Write-backs	Total 2025	Total 2024
Loans and advances to customers	1	0	(1)	0

SECTION 10 – ADMINISTRATIVE COSTS – ITEM 160

10.1 Payroll: breakdown

Type of expenses/Amounts	Total 2025	Total 2024
1) Employees	7,859	7,769
a) wages and salaries	5,331	5,287
b) social insurance	1,471	1,441
c) severance indemnities ¹	343	344
d) social security contributions	-	-
e) provision for severance indemnities	37	39
f) provision for post-retirement benefits and other obligations:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) payments to external supplementary pension funds:	199	199
- defined contribution ²	199	199
- defined benefit	-	-
h) costs deriving from payment agreements based on own capital instruments	-	-
i) other employee benefits	478	459
2) Other personnel currently employed	-	-
3) Directors and Auditors	589	583
4) Retired personnel	-	-
5) Cost recovery in relation to employees seconded to other companies	-	-
6) Cost recovery in relation to third party employees seconded to the company	-	-
Total	8,448	8,352

1 In accordance with implementing rules issued by the Bank of Italy, this item is made up of amounts of severance indemnities paid out directly to INPS (National Social Security Institute) and to other external defined contribution funds.

2 This amount includes contributions to the supplementary pension schemes.

10.2 Average number of employees by category ¹

	2025	2024
Employees:	78	81
a) executives	6	6
b) managerial staff	37	38
c) remaining employees	35	37
Other personnel	-	-

1 The annual average is calculated as the weighted average of employees where the weight is given by the number of months worked in the year.

In order to give a better representation of the Bank's workforce, the table below shows the average number of employees calculated taking into account the actual number of hours for each part-time contract.

	2025	2024
Employees:	81.8	84.3
a) executives	6.2	5.8
b) managerial staff	37.9	39.0
c) remaining employees	37.7	39.6
Other personnel	-	-

10.4 Other employee benefits

	2025	2024
Insurance policies	199	205
Training	72	77
Lunch vouchers	95	97
Costs for early termination of employment	40	-
Benefits in kind	15	16
Other short-term benefits	58	64
Total	478	459

P A R T C
I N F O R M A T I O N O N T H E I N C O M E
S T A T E M E N T

10.5 Other administrative costs: breakdown

	2025	2024
1. IT costs	1,594	1,704
- outsourcing costs	1,353	1,459
- other EDP (Electronic Data Processing) costs	241	244
2. Property related expenses	372	331
a) rental expenses	11	11
- <i>property rental expenses</i>	<i>11</i>	<i>11</i>
b) other expenses	360	320
- <i>premises cleaning and sanitation</i>	<i>90</i>	<i>77</i>
- <i>building service charges</i>	<i>55</i>	<i>40</i>
- <i>maintenance and repair costs</i>	<i>77</i>	<i>61</i>
- <i>electricity, heating, water</i>	<i>73</i>	<i>75</i>
- <i>motor vehicles maintenance</i>	<i>66</i>	<i>68</i>
3. Purchase of non-professional goods and services	264	259
- books, magazines, subscriptions	22	20
- information and cadastral services	71	71
- stationery and printed matter	10	8
- surveillance	3	2
- databases and value-added networks	114	119
- post and telephones	45	38
4. Purchase of professional services	893	801
- legal and procedural costs	179	238
- professional fees	714	563
5. Insurance premiums	21	19
- other insurance policies	21	19
6. Advertising expenses	310	355
- advertising and sponsorships	280	334
- entertainment and gifts	30	21
7. Indirect taxes and duties	1,411	1,275
- substitute tax	49	25
- registration tax and dues	19	22
- tax on real estate	47	45
- other taxes and duties (advertising, tosap - tax on occupation of public property, stamp duty)	1,295	1,182
8. Other	364	872
- contributions to the banking crisis resolution fund and interbank deposit protection fund (FITD)	60	584
- membership fees ¹	166	146
- other expenses	137	142
Total	5,229	5,615

1 For the most part, it includes the membership fees for ABI, Federazione Trentina delle Cooperative and Assilea, supervisory contributions to ECB, SRB and CONSOB, FITD and AGCM operating expenses.

Disclosure under IFRS 16 about costs related to short-term leases (see paragraph 53, letter c), costs related to low-value leases (see paragraph 53, letter d)) and costs for variable lease payments not included in the measurement of lease liabilities (see paragraph 53, letter e).

	2025	2024
Costs related to short-term leases	-	-
- buildings	-	-
- vehicles	-	-
Costs related to low-value leases	-	-
Variable lease payments not included in the measurement of lease liabilities	15	11
- buildings	11	11
- vehicles	3	0

SECTION 11 – NET PROVISIONS FOR RISKS AND CHARGES – ITEM 170

11.1 Net provisions for credit risk relating to commitments to disburse funds and financial guarantees issued: breakdown

	Total 2025	Total 2024
Provision for guarantees issued	30	(9)
Provision for commitments	(26)	(4)
Total	4	(12)

11.3 Net provisions for risks and charges: breakdown

	Total 2025	Total 2024
Provision for personnel incentive schemes	(330)	(354)
Net provisions for legal disputes underway	(371)	20
Total	(701)	(334)

SECTION 12 – NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT – ITEM 180

12.1 Net adjustments to property, plant and equipment: breakdown

Assets/Income items	Depreciation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a + b - c)
A. Property, plant and equipment	(446)	-	-	(446)
1 For operational use	(446)	-	-	(446)
- Owned	(373)	-	-	(373)
- Rights of use acquired under leases	(73)	-	-	(73)
2 Held for investment purposes	-	-	-	-
- Owned	-	-	-	-
- Rights of use acquired under leases	-	-	-	-
3 Inventory	-	-	-	-
Total	(446)	-	-	(446)

SECTION 13 – NET ADJUSTMENTS TO INTANGIBLE ASSETS – ITEM 190

13.1 Net adjustments to intangible assets: breakdown

Assets/Income items	Depreciation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a + b - c)
A. Intangible assets	(2)	-	-	(2)
of which: software	(2)	-	-	(2)
A.1 Owned	(2)	-	-	(2)
- Generated internally by the company	-	-	-	-
- Others	(2)	-	-	(2)
A.2 Rights of use acquired under leases	-	-	-	-
Total	(2)	-	-	(2)

SECTION 14 – OTHER OPERATING CHARGES/INCOME – ITEM 200

14.1 Other operating charges: breakdown

	Total 2025	Total 2024
Sundry operating expenses	(6)	(1)
Total	(6)	(1)

14.2 Other operating income: breakdown

	Total 2025	Total 2024
Recovery of procedural expenses	37	127
Expenses refund and tax recovery ¹	1,226	1,013
Sundry operating income	127	116
Total	1,390	1,256

1 The amount includes the recovery of stamp duty on current accounts and deposits for €1,177 thousand in 2025 and €988 thousand in 2023.

SECTION 15 – PROFIT (LOSS) FROM EQUITY INVESTMENTS – ITEM 220

15.1 Profit (loss) from equity investments: breakdown

Income items/Amounts	2025	2024
A. Income	-	-
1. Write-ups ¹	-	-
2. Gains on disposal	-	-
3. Write-backs	-	-
4. Other income	-	-
B. Charges	(66)	(65)
1. Write-downs ¹	(66)	(65)
2. Adjustments due to impairment	-	-
3. Loss on disposal	-	-
4. Other charges	-	-
Net result	(66)	(65)

1 Income/charges deriving from the application of the equity method to the measurement of equity investments in the portfolio refer to the subsidiary Paradisidue S.r.l.

SECTION 18 – GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS – ITEM 250

18.1 Gains (losses) on disposal of investments: breakdown

Income items/Amounts	2025	2024
A. Buildings	-	-
- Gains on disposal	-	-
- Losses on disposal	-	-
B. Other assets	(8)	9
- Gains on disposal ¹	0	9
- Losses on disposal ¹	(8)	0
Net result	(8)	9

1 These are gains or losses arising from the disposal of fully depreciated property, plant and equipment.

SECTION 19 – INCOME TAXES ON CURRENT OPERATIONS – ITEM 270

19.1 Income taxes on current operations: breakdown

Items/Amounts	Total 2025	Total 2024
1. Current taxes (-)	(2,499)	(11)
2. Change in current taxes of previous years (+/-) ¹	(10)	(23)
3. Decrease in current taxes of the year (+)	-	-
3.bis Decrease in current taxes in the year for tax credits pursuant to Law no. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-) ²	211	(1,616)
5. Change in deferred tax liabilities (+/-) ³	272	3
6. Income taxes for the year (-) (-1+/-2+3+3bis +/-4+/-5)	(2,025)	(1,647)

- ¹ For 2025, the figure shown under the heading "change in current taxes of previous years" is due to a refinement of these figures during the payment and filing process, whilst for 2024 it is due to a recalculation of the taxes for the 2023 financial year following an error in their calculation.
- ² The amount shown under the item "change in deferred tax assets" (+€211 thousand) corresponds to what was shown in table 10.3 "Change in deferred tax assets (with contra-entry to the income statement)" as the balance of items "2. Increases" (€362 thousand) and "3. Decreases" (€1,331 thousand) net of the amount shown in item 3.3 "Other decreases" (€1,179 thousand) relating to the transformation of deferred tax assets on the 2024 tax loss into a tax credit.
- ³ The amount shown under the item "change in deferred tax liabilities" (+€272 thousand) corresponds to what was shown in table 10.4 "Change in deferred tax liabilities (with contra-entry to the income statement)" in item "3. Decreases" (€272 thousand).

19.2 Reconciliation between theoretical tax charge and actual tax charge

Items/Amounts	Taxable income	Tax	Rates
Profit on current operations before taxes (item 250 IS)	8,202		
Corporate income tax (IRES) – theoretical tax charge:		(2,256)	27.50
Effects on IRES of decreases in the taxable income	(2,937)	+808	27.50
Effects on IRES of increases in the taxable income	+1,391	(382)	27.50
Tax profit - 2025	6,656	(1,830)	27.50
Use of ACE	(125)	+34	27.50
Decrease in current taxes in the year for tax credits pursuant to Law no. 214/2011		-	
Other deductions	(81)	+22	27.50
Change in taxes of previous years		(1)	27.50
A. Actual tax charge – current corporate income tax (IRES)	6,450	(1,775)	
Increases in deferred tax assets		+177	27.50
Decreases in deferred tax assets		(131)	27.50
Increases in deferred tax liabilities		-	27.50
Decreases in deferred tax liabilities		+64	27.50
B. Total effect of deferred corporate income tax (IRES)		+110	27.50
C. Total actual IRES charge (A+B)		(1,665)	20.30
Net interest and other banking income	20,493	(1,135)	5.54
Deductible expenses	(13,266)	+734	5.54
Regional tax on industrial activities IRAP – theoretical tax charge with application of nominal tax rate	7,226	(400)	5.54
(difference between net interest and other banking income and deductible expenses)			
Effect on IRAP due to a decrease in production value	(9)	+0	5.54
Effect on IRAP due to an increase in production value	+5,875	(325)	5.54
Net value of production - 2025	13,093	(725)	5.54
Change in taxes of previous years		(9)	
Decrease in current taxes in the year for tax credits pursuant to Law no. 214/2011		-	
D. Actual tax charge – Current regional tax on industrial activities (IRAP)	13,093	(734)	
Increases in deferred tax assets		+185	5.54
Decreases in deferred tax assets		(20)	5.54
Increases in deferred tax liabilities		-	5.54
Decreases in deferred tax liabilities		+208	5.54
E. Total effect of deferred regional tax on industrial activities (IRAP)		+373	5.54
F. Total actual IRAP charge (D+E)		(361)	4.40

P A R T C
I N F O R M A T I O N O N T H E I N C O M E
S T A T E M E N T

Total current IRES/IRAP taxes (item 270 IS)	(A+D)	(2,508)	
Total actual IRES/IRAP tax charges (item 260 IS)	(C+F)	(2,025)	24.69

SECTION 21 – OTHER INFORMATION

Parent company: exemption from the requirement of drawing up the consolidated financial statements

The Bank, in compliance with the legislation in force (Legislative Decree no. 356/1990) and with the regulations of the Supervisory Authority, is the parent company of "Gruppo Bancario Mediocredito Trentino–Alto Adige S.p.A.", duly registered with the Banking Group Register at the Bank of Italy. The real estate company Paradisidue S.r.l., 100% controlled, is also part of the Group.

The Bank does not prepare consolidated financial statements as the consolidation of the subsidiary Paradisidue S.r.l. (financial statements assets as at 31 December 2025 of €7.6m) is not deemed significant to the improvement of the disclosures provided (IAS 8 and paragraphs 26, 29, 30 and 44 of the "Systematic Framework for the Preparation and Presentation of Financial Statements" or Framework). The subsidiary owns buildings, whose value, appropriately estimated, corresponds to market values and the equity investment is booked in the financial statements of the Bank at equity.

Additionally, since the volume of business of its subsidiary is below the set threshold, Mediocredito is not required to submit to the Bank of Italy consolidated statistical reports under the existing supervisory regulations.

SECTION 22 – EARNINGS PER SHARE

22.1 Average number of diluted ordinary shares

Mediocredito has not experienced any dilution of share capital, as there were no changes in either the number of ordinary shares or their nominal value during 2025. The average number of shares is therefore 112,470,400, equal to the exact value.

22.2 Other information

Taking into consideration the profit for the year of €6.176m, the profit per share is €0.0549.

	2025	2024
Earnings (loss) per share	0.0549	0.0540
Diluted earnings (loss) per share	0.0549	0.0540

PART D COMPREHENSIVE INCOME

ANALYTICAL STATEMENT OF COMPREHENSIVE INCOME

Items		2025	2024
10.	Net income (loss) for the year	6,176	6,072
	Other income components without reversal to income statement	+13,709	+6,136
20.	Equity securities designated at fair value through other comprehensive income:	+14,423	+6,526
	a) Fair value change	+9,947	+6,526
	b) Transfers to other shareholders' equity components	+4,475	(0)
30.	Financial liabilities designated at fair value through profit or loss (change in the Bank's creditworthiness):		
	a) fair value change		
	b) transfers to other shareholders' equity components		
40.	Coverage of equity securities designated at fair value through other comprehensive income:		
	a) fair value change (hedged instrument)		
	b) fair value change (hedging instrument)		
50.	Property, plant and equipment		
60.	Intangible assets		
70.	Defined benefit plans	10	9
80.	Non-current assets and groups of assets held for sale		
90.	Portion of valuation reserves from equity investments measured at equity		
100.	Income taxes relating to other income components without reversal to income statement	(723)	(399)
	Other income components with reversal to income statement	+2,537	1,165
110.	Hedges of foreign investments:		
	a) fair value changes		
	b) reversal to income statement		
	c) other changes		
120.	Exchange differences:		
	a) changes in value		
	b) reversal to income statement		
	c) other changes		
130.	Cash flow hedges:		
	a) fair value changes		
	b) reversal to income statement		
	c) other changes		
	of which: result of net positions		
140.	Hedging instruments (elements not designated):		
	a) changes in value		
	b) reversal to income statement		
	c) other changes		
150.	Financial assets (other than equity securities) measured at fair value through other comprehensive income:	+3,731	+1,725
	a) fair value changes	+2,623	+588
	b) reversal to income statement	+1,108	+1,137
	- net adjustments to credit risk	+9	(16)
	- capital gains/losses	+1,098	+1,153
	c) other changes		
160.	Non-current assets and groups of assets held for sale:		
	a) fair value changes		
	b) reversal to income statement		
	c) other changes		
170.	Portion of valuation reserves from equity investments measured at equity:		
	a) fair value changes		
	b) reversal to income statement		
	- adjustments due to impairment		
	- capital gains/losses		
	c) other changes		
180.	Income taxes relating to other income components with reversal to income statement	(1,194)	(560)
190.	Total other income components	+16,246	+7,301
200.	Comprehensive income (10+190)	22,422	13,373

PART E INFORMATION ON RISKS AND RELATED HEDGING POLICIES

INTRODUCTION

As mentioned earlier, given its size and its business model that is primarily focused on medium to long-term credit, the Bank's risks are generally related to credit risk and liquidity risk. Market risk – concentrated in the banking book – is largely attributable to the portfolio of Italian government securities, most of which were deposited with the financial intermediaries to guarantee credit lines. Operational risks are less impactful. For a more thorough examination of the system of controls and risk management, please refer to the following sections as well as the sections of the report on operations dedicated to these issues.

In 2025, the Bank maintained its system of controls, planning and management of risks to comply with the innovations included in the updates of Bank of Italy Circular no. 285/2013. The management is committed to include objectives linked to the dissemination of risk culture as part of the company policies and staff training and evaluation.

SECTION 1 – CREDIT RISK

QUALITATIVE INFORMATION

1. GENERAL ASPECTS

Credit risk is defined as the risk of facing an unexpected loss/impairment/earnings because of the failure of the debtor, in other words the "Risk arising out of a credit exposure as a result of an unforeseen change in the creditworthiness of the borrower that involves a change in the value of the exposure itself". At Mediocredito, it also includes the counterparty risk, i.e. the risk that the counterparty could default before the final settlement of all the cash flows linked to the operation.

In the light of the provisions contained in Part One, Title IV, Chapter 3 of the Bank of Italy Circular no. 285/2013 regarding internal controls and the significance attached to the efficiency and effectiveness of the credit process and associated control system, the Bank has set up a dedicated organisational structure to achieve the objectives of credit risk management and control, indicated by the above prudential regulations.

The whole process of credit management and control is governed by internal regulations that:

- identify the proxies and the signing powers concerning credit disbursement;
- define the criteria for the assessment of creditworthiness;
- define the methods for the renewal of credit lines;
- define the methods of performance monitoring and credit risk measurement and the types of actions to be taken in case of detection of anomalies.

These internal rules define control, management and mitigation activities for credit risk by developing a structured system that involves different organisational functions whose activities are within the complex global risk control and management system adopted by the Bank.

The credit risk organisational process is based on the principle of separation between the investigation process activities and those of credit management. This principle has been implemented through the establishment of separate organisational structures.

With regard to the operating methods that characterise the lending activities of the Bank, credit management is split into the following macro areas:

- credit planning: carried out in accordance with the development and risk/reward policies as defined by the Board of Directors as part of the Risk Appetite Statement;
- granting and review: this phase covers the whole credit granting process from the request for funding (or the review of existing credit lines granted) to the application assessment and the decision by the competent body. The rules governing such stages are contained in the company procedures (mapped into the filing system) and in the internal regulations;
- monitoring: includes all activities necessary for the timely detection and subsequent management of risky phenomena that may occur during the credit granting process. The monitoring is managed by the Credit Area – Monitoring and Restructuring Office. The body, dedicated to constantly checking credit quality, reports every two months to the Credit Risk Management Committee and manages the restructuring of impaired loans;
- dispute management: refers to all the activities carried out following the classification of a position under doubtful loans and other impaired loans as identified by the Credit Risk Management Committee to safeguard the interests of the Bank. The various phases of the process are entrusted to the Legal Area, which directly and proactively manages the recovery initiatives.

The process of assumption and control of credit risk, incorporated in an internal policy, is monitored by the Credit Area which supervises the processes of credit granting, disbursement, management and monitoring and defines rules, instruments and criteria for assessing creditworthiness, besides assisting the regional units in preliminary risk evaluation.

The Bank grants credit on the basis of a detailed monographic analysis of the company seeking financing which takes into account not only its economic-financial situation but also its position on the market, productive structure, management, forecast business plans and guarantees; with a special reference to industrial and commercial companies, the preliminary analysis is supplemented by the

assignment of an internal scoring/rating that allows customers to be classified according to risk categories and the pricing policy to be applied in a more calibrated manner.

The loan portfolio is monitored by the Monitoring and Restructuring Office and the most impaired loans in the portfolio by the Legal Office. The Risk Management and ICT Risk Office cooperates with the Management, also as part of the Credit Risk Management Committee, to define and monitor risk policies and for the assessment of loans.

2.2 Management, measurement and control systems

Policies aimed at maintaining portfolio integrity are implemented through an intense and systematic monitoring action, above all with regards to exposures most at risk, performed by the Monitoring and Restructuring Office through direct relations with customers and/or the acquisition and assessment of financial statements, accounts or other documents, sometimes also jointly with Regional Units. These policies are summarised at the frequent meetings of the Credit Risk Management Committee, a body responsible for defining the relevant guidelines and examining the outcome of specific operations carried out by the Offices in charge.

Operational methods, already introduced to the monitoring process a few years ago, designed to increase the speed of identification and efficiency of managing loans characterised by a deteriorated risk profile, allow the advance submission of positions that are believed could deteriorate in the future (despite regular repayments) to the attention of the Credit Risk Management Committee.

Therefore, reporting to the Credit Risk Management Committee is structured into:

- loan control and monitoring activities;
- verification of risk concentrations;
- analysis of past due loans and/or loans characterised by forbearance measures (forborne);
- analysis and control of possibly problematic performing transactions;
- collection of adjusted doubtful loans.

Within the context of loan control and monitoring activities, the following are also shown:

- the yearly outcome of the general appraisal by the Monitoring and Restructuring Office (generated with the help of an automated process) with regards to compliance with financial covenants that had accompanied the granting of the loan;
- the yearly outcome of the appraisal by the Monitoring and Restructuring Office, targeted at examining signs that could indicate a possible worsening of the risk profile of the debtor, aimed at performing loans, focused primarily on the analysis of data of the Centrale Rischi (central credit register) and the main company accounting data from the latest approved financial statements and/or consolidated financial statements.

With regard to this action, note that the Bank adopted a model for monitoring the performing portfolio in which performance variables were adopted on indicators of customer financial statements and on the level of risk reported within the IFRS 9 classification and impairment model.

In addition to the functions mentioned above, the activities of the Budget and Planning function and of the Risk Manager fall within the scope of credit risk monitoring. In particular, the aforementioned functions conduct quarterly and half-yearly analyses on the evolution and trend in credit risk, periodically reporting to the top management and the Board of Directors.

For the purpose of determining the internal capital against the credit risk, the Bank uses the standardised approach adopted for the determination of capital requirements in respect of credit risk. During the interim review of the Internal Capital Adequacy Assessment Process (ICAAP) and of the monitoring of the actual risk profile as part of the Risk Appetite Statement (RAS), the internal capital absorbed to cover the credit risk is determined on a quarterly basis, also by carrying out stress testing.

Use of internal scoring/rating systems in the disbursement activity

The Bank uses an internal scoring/rating system to support the lending activity of corporate customers.

Scoring is used in the business pre-analysis phases to evaluate the companies associated with the requesting company or any consolidated financial statements, while Rating – which completes the scoring with quantitative elements – is used for all the companies for which a request for funding is proposed in the resolution.

The expected rating level is related to the duration of the transaction and the respective LTV level.

The rating is assigned to all companies applying for funding, with the exception of:

- holding companies;
- finance companies;
- real estate companies;
- start-ups;
- Land – Building transactions;
- Project Finance transactions;
- the hospitality industry;
- the cableway industry;
- sole proprietorships;
- companies with an annual turnover of less than €1m.

The score resulting from the application of the model is made on a scale from "AAA – Excellent" to "D – Not solvent" similar to the scales adopted by the main rating agencies.

To date, these scoring/ratings are not used for monitoring credit risk, which is instead based on the model described in paragraph 2.3 and which allows performing customers to be monitored on the basis of a set of financial and performance indicators and triggers.

2.3 Methods for measuring expected losses

Collective valuation

The calculation of collective impairment pursuant to IFRS 9 is carried out using the Allitude/CRIF calculation model adopted in accordance with the management software provider of the Cassa Centrale Banca Credito Cooperativo Italiano banking group.

The model assigns to each relation the values of PD, LGD and EAD by analysing the counterparty rating, the guarantees securing the relation and the amortisation plan of the relation, respectively. The values of each parameter are calculated on the basis of statistical analyses carried out on a predefined sample and on the basis of expected macroeconomic scenarios (forward looking approach).

It should be noted that, during 2019, the Allitude/CRIF model for calculating collective impairment under IFRS 9 was customised to correct anomalies of overestimation of the Bank's portfolio risk and of the model's lack of discriminating capacity, which is not very suitable for application to single-product banks.

The action involved the development of ad hoc integration functions estimated on the total Allitude development sample but by replicating the distinctive characteristics of the business of Mediocredito. In particular, a re-estimation, on the entire Allitude sample – thus guaranteeing the statistical robustness of the model – of the integration function was envisaged, replacing the internal performance module with the mortgage module alone, supplemented by a recalibration at a target rate given by the ratio between the risk of Mediocredito and that of the total sample. Allitude also carried out rating scale optimisation works for all banks in order to resolve the anomalies encountered by customer banks.

Staging assessment

The model performs, as a first step, the staging assessment phase of each transaction, i.e. the allocation of financial instruments in the stages provided for by the accounting standard through the calculation of the rating (on a scale from 1 – best rating – to 13 – worst rating) and the analysis of its variation with respect to the initial rating. This stage is particularly important because it guides the way in which the provision for credit risk is determined.

Originally, each transaction is classified in stage 1; at the next assessment stage, it is classified in stage 1 or 2 according to the transition matrices differentiated by segment (Companies, Private individuals, POE and Small Businesses).

The objective assumptions for classifying a stage-2 transaction are as follows:

- presence of arrears for more than 30 days;
- classification as forborne performing;
- classification as performing under observation.

Moreover, for the purposes of staging assessment, the model adopted the Low Credit Risk Exemption, envisaged by the accounting standard, which requires that on FTA or subsequent measurement, a transaction can be classified as stage 1 if it meets the following requirements:

- absence of lifetime PD at the disbursement date;
- no "30 days past due" event in the 36 months prior to the measurement date;
- rating class less than or equal to 4 for Small Businesses and Companies, less than or equal to 3 for POE and less than or equal to 5 for Private individuals.

Rating assignment

In order to determine the rating, which is useful both for the staging and for the assignment of the PD, the Allitude model uses a modular approach that, for each risk segment (counterparty type), envisages a rating model based on different sources (internal performance, central credit register, financial statements, social and demographic analysis).

During the Covid-19 pandemic, the model envisaged the application of a penalty in terms of rating classes to private individuals and exposures belonging to economic sectors which, on the basis of a targeted forward-looking analysis, were expected to be more inclined to negatively factor the effects of the economic crisis caused by the same pandemic.

During 2025, it became apparent that the model needed to be updated by applying a downgrade of one credit grade – regardless of the initial rating – to exposures to private individuals and to companies operating in economic sectors deemed most vulnerable to US tariffs and consistent with current geopolitical risks, as identified in the Bank of Italy's 2025 Financial Stability Report.

PD calculation

Following the assignment of a rating and classification into a stage, each exposure is assigned a PD, which represents the probability that a counterparty will enter a defaulted status within the specified time horizon (12 months for Stage 1; lifetime for Stage 2). The PD is estimated on the basis of the sample by including the effect of forward-looking scenarios in the calculation.

LGD calculation

The LGD represents the loss incurred in the event of default and is estimated by adding up for all the transactions belonging to the sample all the recovery flows discounted at the time of default, net of the direct costs incurred for recovery; in particular, the estimate of the LGD component under IFRS 9 is divided into two components:

1. LGS (or "LGD - Doubtful loan"), i.e. the percentage of the exposure recognised as a loss as a result of the classification as doubtful loans;
2. Danger Rate, i.e. the probability of classification as doubtful loans for counterparties classified in default stages (exposures that are past due and/or unlikely to pay), against which the LGS is calibrated.

EAD Calculation

The EAD represents the expected credit exposure at the time of insolvency and is estimated on the basis of the contractually envisaged repayment flows, including the application of prepayment parameters.

Analytical valuation

Financial assets classified as impaired in accordance with supervisory regulations are classified as stage 3 and therefore subject to analytical valuation:

- doubtful;
- unlikely to pay;
- impaired past due.

For each position, the Bank considers by default the scenario of direct recovery from the debtor/guarantor or from bankruptcy proceedings; moreover, it takes into account a transfer scenario if it considers that it is more efficient to manage certain positions from this point of view and that at least one interested counterparty is identified for them and that it has provided a preliminary estimate of

the possible transfer values. The Bank will assign to the transfer scenario a probability of occurrence proportionate to the actual will/possibility of completing the transaction.

2.4 Credit risk mitigation techniques

In accordance with the Bank's specific fields of operation, Credit Risk Mitigation (CRM) techniques consist mainly of "Exposures secured by real estate" and loans backed by first level guarantees provided by the Guarantee Fund, EIF and SACE.

The relative process of the policies for the eligibility of guarantees and the mapping of business processes related to the management of real estate as collateral for loans has been defined, and approved by the Board of Directors.

Regarding the size of guarantees securing the loan portfolio – which is classified on the basis of the incidence of guarantee coverage in terms of Loan to Value – most of the risk portfolio is secured by guarantees so that the risk is either reduced (e.g. delegations of payment for operations in favour of public bodies in the Region, full bank guarantees, guarantees of institutional funds on first demand with LTV below certain thresholds) or normal (higher LTV and within certain thresholds); these guarantees are often supplemented by other endorsement guarantees.

In the year under examination, disbursements in relation to less guaranteed operations (defined, on the basis of an internal classification, as "full risk", but often secured by guarantees, at least partial, or by covenants) amounted to €82.5m (€75.2m in 2024).

As at 31 December 2025, the incidence of these transactions on total loans (excluding doubtful loans) was contained to 17.8%, thus configuring an incidence within the overall tolerance limits set for the year.

In addition to this portfolio, there are transactions in the energy sector and project financing: disbursements amounted to €44.8m, with the stock as a percentage of total loans (excluding doubtful loans) amounting to 13.2%.

As a whole, transactions at full risk account for 31.1% of total loans compared with a RAF limit of 35.0%.

Looking again at the overall portfolio of outstanding loans, a breakdown by geographical area of the investments shows that the concentration profile of the activities in the target areas remains substantially unchanged: the loan portfolio is concentrated for 36.2% in Trentino-South Tyrol, 24.5% in Veneto, 12.7% in Emilia Romagna, 16.8% in Lombardy and 9.7% in other regions.

In relation to "significant risks", four positions are reported as at 31 December 2025, two of which with central governments, for Italian government debt securities and guarantees granted by the central guarantee fund, one with supervised credit intermediaries, and one with Bank of Italy for subscription to portions of share capital.

The Bank has no large exposures to ordinary customers.

3. IMPAIRED CREDIT EXPOSURES

Introduction

Definition of impaired loans

As from 1 January 2021, the new European rules on the definition of "default" came into force, pursuant to Regulation (EU) no. 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment companies and related provisions of the European Banking Authority (EBA), with regard to the definition of the guidelines on the application of the definition of default and to the technical regulations on "relevant thresholds", and the European Commission with regard to the definition of these thresholds.

1. Objective default.

The new definition of default did not change the time limits for triggering the classification of past due positions (the limit of 90 days remained unchanged); the element on which the regulators intervened is the so-called "materiality threshold", i.e. the exemption that allowed banks – within certain limits – not to classify a position as default (set until 31 December 2020 in the 5% of total exposure).

On the basis of the new regulations, there will be an objective default (past due) after 90 days from the maturity date of the obligation (instalment payment), without the debtor having fulfilled it, in the presence of both of the following conditions (new "materiality thresholds"):

- the unpaid portion must be at least 1% of the debtor's total exposure (this component – valid for all types of counterparties v is defined as the "relative component");
- the total value of the past due exposure must be at least €100 for retail exposures / retail customers and €500 for other exposures / non-retail customers (so-called "absolute component").

2. Subjective default.

In any case it is still possible to classify a customer in default subjectively, or in the opinion of the bank, if this is not deemed able to fulfil the obligations assumed (if not through the enforcement of the guarantees given to cover the credit), or, in the case of unsecured credit positions, is not deemed able to promptly fulfil the obligations undertaken.

In this regard, it should be noted that in its Guidelines, in order to harmonise the discretion granted to intermediaries in the classification of customers, the EBA considered it appropriate to define a series of triggers in the presence of which the position must be qualified as in default. In particular: a) in the case of disposal of loans for which there has been a "distressed restructuring" (of the debt) that entailed a substantial remission of the same or a deferral of payments of principal, interest or commissions with a loss higher than 1% of the original debt; b) in case of bankruptcy of the borrower; c) in the event of specific provisions on the exposure in accordance with IFRS 9; d) in the event of loss of sources of income and increase in the level of financial leverage.

Upon the occurrence of the above conditions, all exposures to the debtor must be considered in default.

3. Default contagion.

The new regulation also introduces another important aspect called "default contagion", by virtue of which:

- if the joint account is in default, the contagion applies to the exposures of the individual joint holders;
- if all the joint holders are in default, the contagion is automatically applied to the exposures of the joint account.

In this regard, it points out that this new provision applies only to joint transactions and not to legal and/or economic links between parties (companies belonging to the same group).

On the other hand, within banking groups, the classification of a default position with one company of the group will entail the extension of this classification to all the companies of the same group.

4. Offsetting between exposures.

A further change related to the new definition of default is that it is no longer possible to apply the offsetting of past due amounts with any other available funds on unused or partially used credit lines, consequently classifying the customer as in default even in the presence of other available credit lines.

5. Restructuring of credit lines.

The regulations also introduce a new threshold for the classification as default in cases of credit line restructuring due to financial difficulties of the customer. If, as a result of the remodulation (forborne), a loss of more than 1% occurs, the Bank is required to classify the customer in a state of default (known as Diminished financial obligation).

6. Disposal of loans through securitisations.

The new EU provisions also apply to the disposal of loans through securitisations ("traditional securitisations", i.e. those that transfer ownership of the loans to the special purpose vehicle). In particular, the EBA Guidelines identify the cases in which the disposal of loans must be considered an indication of default with consequent classification of the customer. In particular:

- position without default index: if the disposal takes place for corporate policy reasons, or to increase liquidity, the loss resulting from it is not to be considered an indicator of default if the bank is able to document that the loss itself does not derive from an impairment of the possibility of debt recovery;
- position with default index:
 - individual position: if the sale takes place due to the decrease in the possibility of credit recovery and the loss incurred by the bank is greater than 5% of the value of the receivable gross of value adjustments, the transaction will give rise to a default ratio with consequent classification of the position (and any other related positions) in default status;
 - loan portfolio: in the event of disposal of a loan portfolio, if its price is determined by applying a discount to the total value of the loans (gross of value adjustments) that is such to entail a loss of more than 5%, it will be necessary to extend the default status to the entire portfolio (i.e. to all individual positions). The extension of the status should not be applied if the portfolio price was determined by specifying the discount rate applied to the individual positions.

7. Exit from default classification.

The provisions in question also introduce new conditions to "exit" the default condition; in particular, the transition to performing status will take place after the cure period that is three months after the position is settled (i.e. from the moment in which the conditions set forth in Article 178 of the CRR cease), or one year with reference to the customers that benefited from debt restructuring. In these cases, the new provisions require that an important role is played by the bank's assessment of the customer's overall financial situation. The return to a performing status will in fact be possible only if the financial situation of the customer is considered stable in an effective and permanent manner.

3.1 Management strategies and policies

Objectives and strategies

In 2025, the Bank approved the "Multi-annual plan for the management of NPLs" for the 2025-2027 time horizon. The following table summarises the main objectives of the plan for 2025 compared with the final results:

Obiettivi operativi	Target 2025	Situazione al 31.12.2025	Gap
Nuovi deteriorati netti	4.001	5.165	1.164
Esposizioni creditizie deteriorate (valori lordi)	20.712	17.307	3.405
Esposizioni creditizie deteriorate (valori netti)	11.554	8.630	2.924
NPL ratio lordo	2,0%	1,7%	0,3%
NPL ratio netto	1,1%	0,9%	0,2%
Coverage ratio complessivo deteriorati	44,2%	50,1%	5,9%
Coverage ratio sofferenze	48,9%	64,0%	15,1%
Coverage ratio inadempienze probabili	43,0%	45,7%	2,7%
Coverage ratio scaduti deteriorati	9,2%	26,5%	17,3%

Technical and organisational procedures and methods used

The situations that present some level of anomaly are initially monitored by the Credit Area – aided by the local commercial units – which implements all management actions with the aim of achieving a return to normality.

In the event of a particular deterioration in the relation, the position is transferred to the Legal Office, which manages the re-entry phase, if necessary through the launch of enforcement proceedings. Therefore, the Legal Office presides over a part of unlikely to pay loans and all doubtful loans.

The detailed analysis of significant positions is brought to the attention of the Credit Risk Management Committee, which meets at least every two months, evaluates the actions to be taken and decides whether to alter the status of the impaired loans.

Reporting to the Credit Risk Management Committee relating to the analysis of the situation of past due loans is broken down by risk severity and duration into:

- Past due Status "Past due by less than 90 days";
- Past due Status "Past due 90";
- Past due Status "Unlikely to pay";
- Positions not past due but "potentially critical".

Every three months, the organisational units of the Credit Risk Management Committee, in coordination with the General Management, carry out an evaluation on the positions in question, to verify the existence of objective evidence of possible impairment losses (impairment test), constantly taking into account the minimum regulatory requirements related to applying the so-called "calendar provisioning", adequately implemented by internal policies and procedures. The evaluation process makes provision for an analytical

examination of impaired positions by applying the methodologies and criteria set out in Part A – Accounting Policies. In compliance with the amendments introduced by the "Guidance on the management of non-performing loans for Italy's Less significant institutions" (issued by Bank of Italy in January 2018) and in order to comply with the entry into force of the IFRS 9 accounting standard for the calculation of impairment, the Bank has an appropriate policy for the classification, measurement and management of impaired exposures; it requires, in particular, the determination of recovery forecasts to be formalised in detail for each position analysed to allow the evaluation and calculation process to be traced and reconstructed.

Verification of the correct monitoring of the individual exposures and the assessment of the consistency of the classifications, the congruence of the provisions and the adequacy of the recovery process is carried out by the risk control function which verifies, among the other tasks, the work of the operating and credit recovery units, ensuring the correct classification of the impaired exposures and the adequacy of the related degree of non-recoverability.

As regards the risk indicator of the portfolio developed by the Bank of Italy, it is reported that when analysing the historical performance of the most significant aggregate for our operations (non-financial corporations in North-eastern Italy), the Bank's average value is below the result for the system (0.6% compared to 1.2% on the amounts of the last five years, from 2019 to 2023; as at 30 September 2024, the last available data, 0% for the Bank compared to 0.6% for the system).

3.2 Write-off

Write-off policies

The Bank writes off exposures only when it no longer has reasonable expectations of recovering the financial asset and for the amount deemed irrecoverable; it is assumed that this situation occurs (unless there is a reason to the contrary) for positions that have been classified as doubtful loans for at least 10 years or doubtful loans with a drawdown of less than €50 thousand. Write-offs are adopted by the Credit Risk Management Committee and reported to the Board of Directors on a quarterly basis.

Financial assets which, although written off during the year, are still subject to enforcement proceedings

During the year, the Bank wrote off financial assets still subject to enforcement proceedings for a total of €0.3m.

Financial assets which, although entirely written down during the year, are still subject to enforcement proceedings

As at 31 December 2025, the Bank held €0.5m of doubtful loans in its portfolio, written down entirely, broken down by seniority as follows:

Year of classification as doubtful loan	No. of customers	Amount (millions of €)
2017	1	0.500

3.3 Acquired or originated impaired financial assets

The Bank does not hold acquired or originated impaired financial assets in its portfolio.

4. FINANCIAL ASSETS SUBJECT TO COMMERCIAL RENEGOTIATIONS AND EXPOSURES SUBJECT TO FORBEARANCE MEASURES

Policies for commercial renegotiation and forbearance of financial assets

The forbearance measures are granted by the Bank on the basis of a procedure that:

- assesses the financial situation of the debtor with a special reference to total debt and its ability to service the debt. An analysis/evaluation of historical data must be carried out to reconstruct the timing and reasons for the debtor's financial difficulty and to obtain an indication of the economic sustainability of the business model and an analysis of the sustainability of the business plan and cash flows;
- applies, as far as possible, standardised conditions within a predefined range of possibilities;
- monitors the effectiveness of the applied measures.

The identification of the customers receiving forbearance measures is based on a series of indicators, considered as a whole, aimed at verifying the existence of the minimum conditions of continuity, the presence of a positive historical financial relationship and the cooperative attitude of the debtor.

Indicators are also tested, using the management system, to verify the "financial difficulty" of the applicant, which take into account both internal performance data and system data extrapolated from the Centrale Rischi (central credit register).

The absence of "financial difficulty" does not bar the forbearance measures but leads to the position not being classified as "forborne" (commercial renegotiation).

Short-term forbearance measures are defined as temporary restructured repayment conditions designed to deal with short-term financial difficulties but which do not tackle the settlement of existing payment delays unless combined with appropriate long-term measures.

P A R T E
I N F O R M A T I O N O N R I S K S A N D R E L A T E D
H E D G I N G P O L I C I E S

They should generally not exceed 2 years, which drop to 1 in the case of project finance and the construction of commercial real estate. These forbearance measures must be taken into account:

- when the debtor has been affected by an identifiable event that has led to temporary liquidity tensions, which will be overcome in the short term due to improved profit margins;
- in the bank's opinion, a long-term forbearance measure is not applicable due to a general or specific temporary financial uncertainty of the debtor.

In most cases, these measures combine with medium/long-term measures.

The standardised forbearance measures normally adopted are summarised in the table below.

Time horizon	Forbearance measure
Short term	Suspension of payments for a limited period of time
	Partial payments (interest portion and reduced principal portion; interest portion only)
	Capitalisation of arrears/interest
Medium/Long-term	Permanent decrease in interest rates
	Extending maturities
	Restructuring of payments (balloon or bullet payments; payments increasing over time)
	New Borrowings
	Amendments/Waiver of contractual covenants
	Debt rescheduling
	Partial or total debt cancellation

As already seen, the presence of forbearance measures is an objective presumption for the classification of a relation in stage 2 for the purpose of assessing the expected losses.

Information on credit quality of exposures subject to forbearance measures and on the effectiveness of the granted forbearance measures

Gross forbome loans existing by year of forbearance measures (in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Tot.
Forborne performing	-	1,519	168	58	341	732	902	5,219	1,315	3,663	73	4,478	18,467
Forborne non-performing	365	323	881	27	105	12	436	710	359	701	698	-	4,616
Total	365	1,841	1,048	85	446	745	1,338	5,929	1,673	4,364	771	4,478	23,083

Gross forbome loans by number of forbearance measures (in thousands)

	1 forbearance measure	more than one forbearance measure
Forborne performing	14,743	3,724
Forborne non-performing	2,970	1,646
Total	17,713	5,370

Effectiveness of the forbearance measures (in thousands)

	2025	2024
Flow analysis		
Forborne performing classified as forborne non-performing	1,317	54
Forborne performing classified as performing non-forborne	3,788	-
Forborne non-performing classified as forborne performing	602	3,416
Stock analysis		
Forborne performing without arrears / total forborne performing	100%	100%
Forborne non-performing without arrears / total forborne non-performing	26%	28%

For further qualitative and statistical information on the loans subject to forbearance measures (geographical distribution, by business area of the counterparty, by type of forbearance measure), refer to the Report on Operations in the paragraphs "Performing loans subject to forbearance measures – Forborne" and "Impaired loans subject to forbearance measures – Forborne".

QUANTITATIVE INFORMATION

A. CREDIT QUALITY

For the purposes of quantitative information on credit quality, equity securities and investments in UCITS are excluded.

A.1 Impaired and performing credit exposures: amounts, value adjustments, trend and economic distribution

A.1.1 Distribution of credit exposures by relevant portfolio and credit quality (carrying amounts)

Portfolio/quality	Doubtful loans	Unlikely to pay	Impaired past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	1,863	6,105	662	1,842	1,163,553	1,174,025
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	160,863	160,863
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	3,882	3,882
5. Financial assets to be sold	-	-	-	-	-	-
Total 2025	1,862	6,105	662	1,842	1,328,298	1,338,771
Total 2024	2,735	8,884	237	2,259	1,279,587	1,293,701

Details of financial assets measured at amortised cost subject to forbearance measures (forborne)

Portfolio/quality	Doubtful loans	Unlikely to pay	Impaired past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost (forborne)	1,314	3,302	-	-	18,467	23,083

A.1.2 Distribution of credit exposures by relevant portfolio and credit quality (gross and net values)

	Impaired				Performing			Total (net exposure)
	Gross exposure	Total value adjustments	Net exposure	Total partial write-offs	Gross exposure	Total value adjustments	Net exposure	
1. Financial assets measured at amortised cost	17,307	(8,677)	8,630	-	1,178,847	(13,452)	1,165,395	1,174,025
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	160,863	-	160,863	160,863
3. Financial assets designated at fair value	-	-	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	-	-	3,882	3,882
5. Financial assets to be sold	-	-	-	-	-	-	-	-
Total 2025	17,307	(8,677)	8,630	-	1,339,711	(13,452)	1,330,141	1,338,771
Total 2024	21,364	9,509	11,855	-	1,294,000	16,143	1,277,858	1,293,701

	Assets of clearly low credit quality		Other assets
	Cumulative capital losses	Net exposure	
1. Financial assets held for trading	-	-	1,488
2. Hedging derivatives	-	-	-
Total 2025	-	-	1,488
Total 2024	-	-	1,279

A.1.3 Breakdown of financial assets by past due brackets (carrying amounts)

Portfolios/ risk stages	Stage 1			Stage 2			Stage 3			Acquired or originated impaired		
	From 1 to 30 days	From over 30 to 90 days	Over 90 days	From 1 to 30 days	From over 30 to 90 days	Over 90 days	From 1 to 30 days	From over 30 to 90 days	Over 90 days	From 1 to 30 days	From over 30 to 90 days	Over 90 days
1. Financial assets measured at amortised cost	209	-	-	1,252	57	324	685	1,497	4,610			
2. Financial assets measured at fair value through other comprehensive income												
3. Financial assets to be sold												
TOTAL 2025	209	-	-	1,252	57	324	685	1,497	4,610			
TOTAL 2024	222	-	-	1,478	560	0	138	2,385	7,062			

of which past due:

TOTAL 2025	0	-	-	31	23	1
TOTAL 2024	0	-	-	139	51	0

A.1.4 Financial assets, commitments to disburse funds and financial guarantees issued: trend in total value adjustments and in total provisions

Risk reasons/stages	Total value adjustments														Total provisions on commitments to disburse funds and financial guarantees issued			Total				
	Assets included in stage 1					Assets included in stage 2					Assets included in stage 3				Acquired or originated 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 to be sold	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 to be sold	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 to be sold	of which: individual write-downs		of which: collective write-downs	Stage 1	Stage 2	Stage 3
Overall opening adjustments	2	4,780	19	-	4,798	11,363	-	-	11,363	9,509	-	9,509	-	-	-	-	-	-	123	0	-	25,795
Increases from acquired or originated financial assets																						
Derecognitions other than write-offs										(994)		(994)										(994)
Net adjustments due to credit risk (+/-)	3	2,873	5		2,878	(5,553)			(5,553)	1,024		1,024							(1)	(2)		(1,653)
Amendments to contracts without derecognitions																						
Changes in the estimation method																						
Write-offs not recognised directly in the income statement										(861)		(861)										(861)
Other changes		(10)	(10)		(20)																	(20)
Overall closing adjustments	4	7,643	13		7,656	5,810			5,810	8,677		8,677							122	(2)		22,266
Recoveries from collections on financial assets subject to write-off										1,213		1,213										1,213
Write-offs recognised directly in the income statement										1		1										1

For assets measured at amortised cost other than stage 1 and 2 securities, value adjustments are determined collectively using software provided by the company Allitude, which uses a calculation model developed in collaboration with CRIF, also adopted by the Cassa Centrale Banca national banking Group. The model assigns to each relation the values of PD, LGD and EAD by analysing the counterparty rating, the guarantees securing the relation and the amortisation plan of the relation, respectively. The values of each parameter are calculated on the basis of statistical analyses carried out on a sample of all banks participating in the Allitude system and on the basis of expected macroeconomic scenarios (forward looking approach). The same model is also adopted for determining value adjustments on commitments to disburse funds and financial guarantees issued under stage 1, 2 and 3.

For securities, both those classified under financial assets measured at amortised cost and those classified under financial assets measured at fair value through other comprehensive income, the PD and LGD data is provided by the info-provider Cassa Centrale Banca S.p.A. that, in turn, uses an ad hoc instrument managed by Prometeia.

For assets measured at amortised cost under stage 3, the value adjustment is determined analytically by discounting the expected recovery at the end of the reporting period. The valuation process considers the recovery scenario through discharging events (the

"management" scenario) and through the assignment of loan to third parties (the "assignment" scenario), assigning to each scenario a probability of occurrence between 0% and 100%.

Disclosure pursuant to IFRS 7, paragraph 35H, letter b), (iii)

The Bank has not adopted the possibility, envisaged by paragraph 5.5.15 letter b) of IFRS 9, of assessing the provision to cover losses on receivables implicit in lease contracts deriving from operations falling within the scope of application of IAS 17 at an amount equal to the expected losses over the entire lifetime of the loan.

Disclosure pursuant to IFRS 7, paragraph B8D

With regard to the adjustment provisions of assets measured at amortised cost falling within the first and second stages, it should be noted that the net value adjustments (€2.9m and -€5.6m respectively) are attributable, for the first stage, to the increase in the write-down rate (+0.3%) and, for the second stage, to the simultaneous decrease in volumes (-€64m) and in the write-down rate (-0.7%). With regard to assets measured at amortised cost falling under the third stage, the adjustment provisions decreased, on the other hand, following the substantial collections and write-offs recognised in the year, only partially offset by adjustments to new impaired loans and higher adjustments to impaired loans already in the portfolio.

A.1.5 Financial assets, commitments to disburse funds and financial guarantees issued: transfers between different stages of credit risk (gross and nominal values)

Portfolios/ risk stages	Gross values / nominal value					
	Transfers from stage 1 to stage 2		Transfers from stage 2 to stage 3		Transfers from stage 1 to 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	22,947	54,800	3,370	681	2,378	-
2. Financial assets measured at fair value through other comprehensive income						
3. Financial assets to be sold						
4. Commitments to disburse funds and financial guarantees issued						
TOTAL	22,947	54,800	3,370	681	2,378	-

Transfers "to stage 3", amounting to €5.748m, do not coincide with the "transfers from performing exposures" shown in table A.1.9 of this section, amounting to €5.896m, in that this table is valued at gross value recorded at the end of the reporting period, while table A.1.9 is valued at gross value recorded at the date of transition to the non-performing status. For the same reason, transfers "from stage 3", amounting to €0.681m, do not coincide with "transfers to non-performing exposures" shown in table A.1.9 of this section, amounting to €0.731m.

New liquidity granted through public guarantee mechanisms issued in relation to the COVID-19 context: transfers between different stages of credit risk (gross values)

Portfolios/ risk stages	Gross values / nominal value					
	Transfers from stage 1 to stage 2		Transfers from stage 2 to stage 3		Transfers from stage 1 to 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
New loans	491	364	611	0	370	-
TOTAL	491	364	611	0	370	-

A.1.6 Balance sheet and off-balance sheet credit exposures to banks: gross and net values

Type of exposures/Amounts	Gross exposure				Total adjustments and total provisions				Net exposure	Total partial write-offs
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired	Stage 1	Stage 2	Stage 3	Acquired or originated impaired		
A. Balance sheet credit exposures										
A.1 On demand	102,768	102,768			(4)	(4)			102,764	
a) Impaired										
b) Performing	102,768	102,768			(4)	(4)			102,764	
A.2 Others	13,894	13,894			(4)	(4)			13,890	
a) Doubtful loans										
- of which exposures subject to forbearance measures										
b) Unlikely to pay										
- of which exposures subject to forbearance measures										
c) Impaired past due exposures										
- of which exposures subject to forbearance measures										
d) Performing past due exposures										
- of which exposures subject to forbearance measures										
e) Other performing exposures ¹	13,894	13,894			(4)	(4)			13,890	
- of which exposures subject to forbearance measures										
TOTAL A	116,662	116,662			(8)	(8)			116,654	
B. Off-balance sheet credit exposures										
a) Impaired										
b) Performing	2,521	2,521			(2)	(2)			2,519	
<i>of which Derivatives Commitments Guarantees issued</i>										
TOTAL B	2,521	2,521			(2)	(2)			2,519	
TOTAL A+B	119,183	119,183			(10)	(10)			119,173	

1 Other performing exposures include €5.2m in bank bonds that satisfy the requirements for eligibility for ECB refinancing, classified under "Financial assets measured at amortised cost". For more information, please refer to the Report on Operations chapter "Securities portfolio".

A.1.7 Balance sheet and off-balance sheet credit exposures to customers: gross and net values

Type of exposures/Amounts	Gross exposure				Total value adjustments and total provisions				Net exposure	Total partial write-offs
	Stage 1	Stage 2	Stage 3	Acquired or originated impaired	Stage 1	Stage 2	Stage 3	Acquired or originated impaired		
A. Balance sheet credit exposures										
a) Doubtful loans	5,167		5,167		3,304		3,305		1,863	
- of which: exposures subject to forbearance measures	1,314		1,314		854		854		460	
b) Unlikely to pay	11,240		11,420		5,134		5,134		6,105	
- of which: exposures subject to forbearance measures	3,302		3,302		1,707		1,707		1,595	
c) Impaired past due exposures	900		900		238		238		662	
- of which: exposures subject to forbearance measures	-		-		-		-		-	
d) Performing past due exposures	1,967	212	1,755		125	2	122		1,842	
- of which: exposures subject to forbearance measures	-	-	-		-	-	-		-	
e) Other performing exposures ¹	1,327,733	1,237,728	90,004		13,324	2,878	10,446		1,314,409	
- of which: exposures subject to forbearance measures	18,467	-	18,467		2,862	-	2,862		15,605	
Total A	1,347,007	1,237,940	91,760	17,307	22,125	2,881	10,568	8,677	1,324,881	
B. Off-balance sheet credit exposures		14,045			118	118			13,928	
a) Impaired										
<i>of which Guarantees Commitments</i>										
b) Performing	14,045	14,045			118	118			13,928	
<i>of which Derivatives Commitments Guarantees issued</i>										
	1,434	1,434			-	-			1,434	
	7,219	7,219			90	90			7,129	
	5,393	5,393			28	28			5,365	
Total B	14,045	14,045			118	118			13,928	
Total A+B	1,361,052	1,251,985	91,760	17,307	22,244	2,998	10,568	8,677	1,338,808	

1 Other performing exposures include €328.7m in securities issued by the Italian government that satisfy the requirements for eligibility for ECB refinancing, classified for €160.9m under "Financial assets measured at fair value through other comprehensive income" and for €167.8m under "Financial assets measured at amortised cost". There are also €3.9m of securities that did not pass

the SPPI test relating for €1.4m to a subordinated bond issued by an insurance counterparty, for €13 thousand to the mezzanine and junior tranches issued by the Buonconsiglio 3 securitisation, for €1.5m to the senior tranche issued by the BGS Securities securitisation, and for €0.9m to the monotranches issued by the Lancelot securitisation. For more information, please refer to the Report on Operations chapter "Securities portfolio".

Finally, there are receivables of €111 thousand for cash reserve relating to two securitisations that did not pass the SPPI test.

Liquidity granted through public guarantee mechanisms issued in relation to the COVID-19 context: gross and net values

Type of exposures/Amounts	Gross exposure	Total adjustments and total provisions	Net exposure	Total partial write-offs
A. Doubtful loans	-	-	-	-
B. Unlikely to pay loans	1,343	660	683	-
C. Impaired past due loans	162	16	146	-
D. Other performing past due loans	-	-	-	-
E. Other performing loans	22,746	27	22,719	-
TOTAL (A+B+C+D+E)	24,250	703	23,547	

A.1.9 Balance sheet credit exposures to customers: trend in gross impaired exposures

Reasons/Categories	Doubtful loans	Unlikely to pay	Impaired past due exposures
A. Opening balance	5,402	15,704	257
- of which: exposures sold and not derecognised			
B. Increases	2,875	4,654	938
B.1 transfers from performing exposures	648	4,322	926
B.2 transfers from acquired or originated impaired financial assets	-	-	-
B.3 transfers from other categories of impaired exposures	625	-	-
B.4 amendments to contracts without derecognitions	-	-	-
B.5 other increases ¹	1,602	332	12
C. Decreases	3,110	9,119	295
C.1 transfers to performing exposures	-	602	130
C.2 write-offs	302	560	-
C.3 collections ¹	2,791	3,306	165
C.4 sale proceeds	-	3,000	-
C.5 losses on disposal	-	994	-
C.6 transfers to other categories of impaired exposures	-	625	-
C.7 amendments to contracts without derecognitions	-	-	1
C.8 other decreases	17	31	-
D. Closing balance	5,167	11,240	900
- of which: exposures sold and not derecognised			

¹ The column doubtful loans also includes €1.213m related to collections of doubtful loans completed in the previous years as per the instructions of the Bank of Italy (Circular 262/2005).

A.1.9bis Balance sheet credit exposures to customers: trend in gross exposures subject to forbearance measures broken down by credit quality

Reasons/Categories	Exposures subject to forbearance measures: impaired	Exposures subject to forbearance measures: performing
A. Opening balance	8,902	21,222
- of which: exposures sold and not derecognised		
B. Increases	1,533	5,458
B.1 transfers from performing exposures not subject to forbearance measures	-	4,478
B.2 transfers from performing exposures subject to forbearance measures	1,317	-
B.3 transfers from impaired exposures subject to forbearance measures	-	602
B.4 transfers from impaired exposures not subject to forbearance measures	-	-
B.5 other increases	216	379
C. Decreases	5,819	8,213
C.1 transfers to performing exposures not subject to forbearance measures	-	3,788
C.2 transfers to performing exposures subject to forbearance measures	602	-
C.3 transfers to impaired exposures subject to forbearance measures	-	1,317
C.4 write-offs	50	-

P A R T E
I N F O R M A T I O N O N R I S K S A N D R E L A T E D
H E D G I N G P O L I C I E S

C.5	collections	1,126	3,108
C.6	sale proceeds	3,000	-
C.7	losses on disposal	994	-
C.8	other decreases	47	0
D.	Closing balance	4,616	18,467
	- of which: exposures sold and not derecognised		

A.1.11 Balance sheet impaired credit exposures to customers: trend in total value adjustments

Reasons/Categories	Doubtful loans		Unlikely to pay		Impaired past due exposures		Performing credit exposures
	Total	of which: exposures subject to forbearance measures	Total	of which: exposures subject to forbearance measures	Total	of which: exposures subject to forbearance measures	
A. Overall opening adjustments	2,668	505	6,820	3,961	21	5	16,141
- of which: exposures sold and not derecognised							
B. Increases	2,648	477	2,816	1,104	238	-	
B.1 value adjustments from acquired or originated impaired financial assets							
B.2 other value adjustments	1,311	361	2,816	1,104	238	-	
B.3 losses on disposal							
B.4 transfers from other categories of impaired exposures	123	116					
B.5 amendments to contracts without derecognitions							
B.6 other increases ¹	1,213						
C. Decreases	2,011	127	4,502	3,357	21	5	2,693
C.1 write-backs from valuation	410	75	675	101			
C.2 write-backs from collection ¹	1,298	2	445	443	21	5	2,683
C.3 gains on disposal			1,704	1,704			10 ²
C.4 write-offs	302	50	560				
C.5 transfers to other categories of impaired exposures			123	116			
C.6 amendments to contracts without derecognitions							
C.7 other decreases			994	994			
D. Overall closing adjustments	3,305	854	5,134	1,707	238	-	13,449
- of which: exposures sold and not derecognised							
Losses due to below market rates	-	-	-	-	-	-	-
Total net credit adjustments	(397)		1,695		217		(2,683) (1,167)³
Net losses on disposal			1704				10 1,714⁴

1 The column doubtful loans includes €1.213m related to collections of doubtful loans completed in the previous years as per the instructions of the Bank of Italy (Circular 262/2005).

2 The amount relates to the 2024 impairment of HTC securities sold during the year.

3 The amount corresponds to the sum of what is shown in table 8.1 Part C item "Total B – Loans and advances to customers" (€1.231m of adjustments), the write-backs due to time-reversal (€0.079m) and interest value adjustments (€0.143m) allocated to item 10. Interest income.

4 The amount resulting from the sum of items B.3 and C.3 corresponds to the value in table 6.1 Part C item "Loans and advances to customers – Net result" (€0.973m) net of the capital loss on the sale of HTC securities (€2.677m), decreased by the amount described in note 2.

A.2 Classification of financial assets, commitments to disburse funds and financial guarantees issued based on internal and external ratings

A.2.1 Breakdown of financial assets, commitments to disburse funds and financial guarantees issued: by external rating class (gross values)

Exposures	External rating class					No rating	Total
	AAA / AA-	A+ / A-	BBB+ / BBB-	BB+ / BB-	B+ / B-		
A. Financial assets measured at amortised cost			173,017			1,027,020	1,200,037
Stage 1			173,017			917,953	1,090,970
Stage 2						91,760	91,760
Stage 3						17,307	17,307
Acquired or originated impaired							
B. Financial assets measured at fair value through other comprehensive income			160,863				160,863
Stage 1			160,863				160,863
Stage 2							
Stage 3							
Acquired or originated impaired							
C. Financial assets to be sold							
Stage 1							
Stage 2							
Stage 3							
Acquired or originated impaired							
TOTAL (A+B+C)			333,880			1,027,120	1,360,900
D. Commitments to disburse funds and financial guarantees issued						13,644	13,644
Stage 1						13,644	13,644
Stage 2							
Stage 3							
Acquired or originated impaired							
TOTAL D						13,644	13,644
TOTAL (A+B+C+D)			333,880			1,040,664	1,374,544

Reconciliation between the "External rating classes" and the ratings of the main agencies

Rating class	Standard & Poor's	Moody's	Fitch
AAA/AA-	AAA	Aaa	AAA
	AA+	Aa1	AA+
	AA	Aa2	AA
	AA-	Aa3	AA-
A+ / A-	A+	A1	A+
	A	A2	A
	A-	A3	A-
BBB+ / BBB-	BBB+	Baa1	BBB+
	BBB	Baa2	BBB
	BBB-	Baa3	BBB-
BB+ / BB-	BB+	Ba1	BB+
	BB	Ba2	BB
	BB-	Ba3	BB-
B+ / B-	B+	B1	B+
	B	B2	B
	B-	B3	B-
Lower than B-	from CCC+ to D	from Caa1 to C	from CC+ to D

The balance sheet exposures with counterparties with a rating relate entirely to Government or Bank bonds classified in the HTC or HTCS portfolios. With regard to the loan portfolio of the Bank, mainly made up of loans to small and medium sized enterprises, the amount of exposures attributed an external rating are rather negligible, for which the entire exposure is presented under the column "No rating". With regards to financial derivatives, the overall notional amount is €43.4m and relates to one counterparty with a Baa1 rating (Moody's).

A.2.2 Breakdown of financial assets, commitments to disburse funds and financial guarantees issued: by internal rating class (gross values)

The Bank uses an internal customer rating model which, to date, covers around 50% of its loan portfolio and which is only assigned at the initial stage of the credit line and to new industrial and commercial customers; therefore, it is not yet sufficiently representative of the overall portfolio. However, it should be noted that following the introduction of the models functional to the application of the new accounting standard IFRS 9, the Bank has additional elements to assign a rating class to the entire loan portfolio together with the traditional in-depth monographic analysis of the economic, financial and sector situation of each customer to whom it grants credit; however, this data is not yet used in credit risk management.

A.3 Breakdown of secured credit exposures by type of guarantee

A.3.2 Secured balance sheet and off-balance sheet credit exposures to customers

	Gross exposure	Net exposure	Collaterals (1)				Personal guarantees (2)						Total (1)+(2)		
			Properties – mortgages	Properties – lease financing	Securities	Other collaterals	Credit derivatives			Endorsement loans					
							Credit-linked notes	Clearing House	Banks Other Others	Public administrations	Banks	Other financial corporations		Others	
<i>1. Secured balance sheet credit exposures</i>	803,971	784,776	180,316	121,109	1,151	91,158					123,982	16,417	3,804	62,961	600,898
1.1 fully secured	433,785	422,491	174,780	102,144	1,071	89,331					8,351	826	1,125	44,863	422,491
- of which impaired	8,677	3,632	2,659	325	-	70					301			278	3,632
1.2 partially secured	370,186	362,285	5,536	18,965	79	1,828					115,630	15,591	2,680	18,097	178,407
- of which impaired	7,159	4,407	67	-	-	80					2,586	241	-	83	3,057
<i>2. Secured off-balance sheet credit exposures</i>	3,482	3,399	203	751	-	270					680	-	-	1,480	3,384
2.1 fully secured	1,907	1,905	203	751	-	270					680	-	-	-	1,905
- of which impaired	-	-	-	-	-	-					-	-	-	-	-
2.2 partially secured	1,575	1,494	-	-	-	-					-	-	-	1,480	1,480
- of which impaired	-	-	-	-	-	-					-	-	-	-	-

B. Distribution and concentration of credit exposures

B.1 Breakdown of balance-sheet and off-balance-sheet credit exposures to customers by main business sector

Exposures/Counterparties	Public administrations		Financial corporations		Financial corporations (of which: insurance companies)		Non-financial corporations		Households	
	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments
A. Balance sheet exposures										
A.1 Doubtful loans of which exposures subject to forbearance measures							1,567	2,651	296	653
A.2 Unlikely to pay of which exposures subject to forbearance measures							5,810	4,829	295	305
A.3 Impaired past due exposures of which exposures subject to forbearance measures							586	219	75	19
A.4 Performing exposures of which exposures subject to forbearance measures	380,010	124	28,780	28	1,395	-	890,710	13,148	16,751	148
Total A	380,010	124	28,780	28	1,395	-	898,674	20,848	17,417	1,126
B. Off-balance sheet exposures										
B.1 Impaired exposures										
B.2 Performing exposures							13,928	118		
Total B							13,928	118		
Total (A+B) (2025)	380,010	124	28,780	28	1,395	-	912,602	20,965	17,417	1,126
Total (A+B) (2024)	338,736	43	27,596	2,725	1,385	-	917,842	22,110	21,421	894

B.2 Breakdown of balance-sheet and off-balance-sheet credit exposures to customers by area²⁵

Exposures / Geographic areas	Italy		of which North-East		of which other areas		Other European Countries	
	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments
A. Balance sheet exposures								
A.1 Doubtful loans	1,863	3,305	1,660	2,901	203	404		
A.2 Unlikely to pay	6,105	5,134	5,960	5,063	145	72		
A.3 Impaired past due exposures	662	238	662	238	-	-		
A.4 Performing exposures	1,316,251	13,449	739,839	9,110	576,412	4,339		
Total A	1,324,881	22,126	748,122	17,312	576,759	4,814		
B. Off-balance sheet exposures								
B.1 Impaired exposures								
B.2 Performing exposures	13,928	118	13,894	118	34	0		
Total B	13,928	118	13,894	118	34	0		
Total (A+B) 2025	1,338,808	22,244	762,015	17,430	576,793	4,814		
Total (A+B) 2024	1,305,596	25,771	766,360	21,124	539,236	4,647	-	-

B.3 Breakdown of balance-sheet and off-balance-sheet credit exposures to banks by area

	Italy		Other European Countries		America		Asia		Rest of the world	
	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments	Net exposures	Total value adjustments
A. Balance sheet exposures										
A.1 Doubtful loans										
A.2 Unlikely to pay										
A.3 Impaired past due exposures										
A.4 Performing exposures	116,654	8								
Total A	116,654	8								
B. Off-balance sheet exposures										
B.1 Impaired exposures										
B.2 Performing exposures	2,519	2								
Total B	2,519	2								
Total (A+B) 2025	119,173	10								
Total (A+B) 2024	163,865	5	-	-	-	-	-	-	-	-

B.4 Large exposures

	2025	2024
a) Amount (carrying amount)	620,288	671,417
b) Amount (weighted value)	34,989	20,000
c) Number	3	4

²⁵ The data represented here is slightly different from the data in the breakdown by geographical area in the Report on Operations. This is due to the fact that the Bank of Italy's criteria used in the notes to the financial statements requires the geographical breakdown to be based on the counterparty's area of residence, while the method used in the Report on Operations is based on the destination of the investment as its area.

C. SECURITISATION TRANSACTIONS

QUALITATIVE INFORMATION

During 2019, the Bank took part, as an investor, in a securitisation transaction of minibonds issued by joint stock companies participating in the Elite Basket Bond programme of the Italian Stock Exchange, with a strong focus on export, with the aim of supporting growth plans abroad and in general increasing the international presence of the issuer.

The transaction benefits from the SACE guarantee issued in favour of the SPV for 100% of the issues (principal and interest).

The securitised bonds are related to 10 issuers with individual amounts between €2.0m and €9.0m and a total of €50.0m.

Mediocredito took part in the transaction, as part of the minibond activity (see Report on Operations, Business Review, Lending operations) by subscribing a portion of €2.0m of the only class of ABS securities issued (senior).

In December 2020, a multi-originator securitisation of doubtful exposures was finalised, for which the guarantee on the securitisation of the doubtful loans (GACS) was requested, which involved the sale of a portfolio of the gross carrying amount of €21.095m (equal to 3.50% of the total portfolio sold by the participants in the transaction) at the time of the securitisation.

At regional level, the portfolio was broken down as follows:

	2020	%
Trentino	1,484	7.0
South Tyrol	-	-
Veneto	8,355	39.6
Emilia Romagna	8,411	39.9
Lombardy	2,433	11.5
Other Regions	412	2.0
Total	21,095	100.0

The breakdown by economic segment is shown below:

	2020	%
Non-financial corporations	21,095	100.0
Real Estate	9,738	46.2
Building industry	6,645	31.5
Manufacturing	4,712	22.3
Total	21,095	100.0

The consideration for the sale of the portfolio summarised above was quantified at €5.661m and, upon payment of the same, Mediocredito received the following securities:

ISIN	Description	Nominal	Loss on disposal and valuation	Final actual price	Expiry	Yield	Rating
IT000542813	BUONCONSIGLIO3 TV% 20/41 EUR SENIOR CL A	4,939	-	4,939	2041	EUR6M + 0.5% (floorzero)	BBB
IT000542814	BUONCONSIGLIO3 TV% 20/41 EUR MEZZAN CL B	674	446	228	2041	EUR6M + 9.5% (floorzero)	Absent
IT000542815	BUONCONSIGLIO3 TV% 20/41 EUR JUNIOR CL J	138 ²⁶	138	0	2041	EUR6M + 15.0% (floorzero)	Absent
TOTAL BONDS		5,751	584	5,167			

Subsequently, 95% of the mezzanine notes (€640 thousand) and junior notes (€130 thousand) were sold to the CRC FC (LUX) S.à.r.l Fund for a total consideration of €217 thousand, recording a loss of €553 thousand; therefore, the Bank kept the senior notes (Class A) and 5% of the mezzanine and junior notes in the portfolio, whose fair value measurement led to a further loss of €30 thousand.

Considering that the portfolio sold, net of value adjustments recorded as at 31 December 2019, amounted to €5.960m, the effects of the securitisation on the income statement can be summarised as follows:

	Effect on IS
Loss on disposal of loans	299
Loss on sale of 95% mezzanine and junior notes	553
Negative change in fair value of 5% mezzanine and junior notes	30
Overall effect on the income statement	883

26 Amount including the over-issue of Junior notes paid in cash of €90 thousand (amount equal to the up-front costs of the transaction).

The Bank also granted a liquidity line (limited recourse loan) to the SPV Buonconsiglio 3 Srl for €0.213m, maturing in January 2041 and remuneration at a fixed rate of 1%.

In relation to the internal systems for measuring and controlling securitisation risks, the following applies:

- the Bank does not carry out servicing activities;
- in relation to disclosure to customers, the SPV company has published an Assignment Notice on the Insertion Sheet of the Official Gazette – Second part – no. 143 of 5 December 2020;
- with regard to the law on the protection of personal data, the Bank has fulfilled its disclosure obligations.

The following subjects were involved in their respective roles:

- *Arranger:* Centrale Credit Solutions Srl and Banca Intesa Sanpaolo S.p.A.;
- *Vehicle Company:* Buonconsiglio 3 S.r.l., a limited liability company established pursuant to Law no. 130 of 30 April 1999, with registered office in Via Vittorio Betteloni, no. 2, 20131 Milan, Italy, entered in the list of special purpose vehicles held by the Bank of Italy pursuant to the provision of the Bank of Italy no. 35745.9 of 7 June 2017; it is confirmed that the Bank does not hold any interests, nor do its employees hold any corporate positions in the SPV Buonconsiglio3 S.r.l., whose shares are entirely held by the company Special Purpose Entity Management 2 S.r.l.;
- *Master Servicer:* Zenith Service S.p.A.;
- *Special Servicer:* Guber Banca S.p.A.;
- *Officer of the noteholders:* Zenith Service S.p.A.;
- *Agent Bank:* BNP Paribas Securities Services, Milan Branch
- *Rating agencies:* Moody's Investors Service, Scope and DBRS Ratings
- *Cap Counterparty:* Banco Santander

The Bank carried out the necessary checks to determine whether the conditions for the derecognition of the transferred loans were met; on the basis of the checks carried out, the Bank does not hold control of the Special Purpose Vehicle pursuant to IFRS 10. Until the date of settlement of the sale of 95% of the mezzanine and junior notes, the securitisation transaction analysed is similar to a self-securitisation transaction and, until that moment, the loans remained recorded in the Bank's financial statements. Following the settlement of the sale on 18 December 2020, the Bank will be exposed to a limited extent to the variability of the results of the Special Purpose Vehicle, having sold 95% of the Mezzanine and Junior Notes and having largely passed the test on the variability withheld. Therefore, starting from 18 December 2020, the loans transferred were eliminated from the financial statements of the Bank since, in addition to the rights to the cash flows, the associated "substantiality of the risks and benefits" was also transferred to the Special Purpose Vehicle.

The checks carried out were summarised in a "technical note" sent to the independent auditors KPMG, which issued the certification required by Article 7, paragraph 1, letter e) of the MEF Decree of 3 August 2016, relating to the guarantee on the securitisation of the doubtful loans (GACS).

In December 2023, the Bank granted a liquidity line (limited recourse loan) to the SPV Lancelot SPE Srl for €1.000m, interest-free, repaid through the allocation, in May 2024, of monotranches notes of equal face value deriving from the securitisation of an NPL portfolio.

In December 2024, the Bank participated, as an investor, in a securitisation transaction of BGS Securities S.r.l. which proposes to invest both in the context of special situations (crises – corporate and otherwise – overt or on the verge of becoming so) that special opportunities (critical generational transfers, family or corporate disputes, etc.).

Mediocredito participated in the transaction by subscribing to a nominal amount of €1.5m in Senior securities.

QUALITATIVE INFORMATION

The following tables C.1 and C.2 show the values relating to the "Buonconsiglio 3" multi-originator securitisation. Since this is a multi-originator securitisation, in compliance with the provisions of Bank of Italy Circular no. 262/2005, table C.1 shows the values relating to the portions of securities held, in proportion to the weight that the assets sold by the Bank have on the total of the assets subject to securitisation whereas, on the contrary, table C.2 shows the values relating to the portions of securities held in proportion to the weight that the assets sold by the other banks participating in the transaction have on the total assets subject to securitisation.

C.1 Exposures deriving from the main "own" securitisation transactions broken down by type of securitised asset and type of exposure

Type of securitised assets/Exposures	Balance sheet exposures						Guarantees issued			Credit lines		
	Senior		Mezzanine		Junior		Senior	Mezzanine	Junior	Senior	Mezzanine	Junior
	Carrying amount	Value adjustments/write-backs	Carrying amount	Value adjustments/write-backs	Carrying amount	Value adjustments/write-backs	Net exposure	Value	Net exposure	Value	Net exposure	Value
A. Subject to full derecognition from the financial statements	70	0	0	-	0	-						
- doubtful	70	0	0	-	0	-						
B. Subject to partial derecognition from the financial statements												
C. Not derecognised from the financial statements												

C.2 Exposures deriving from the main "third party" securitisation transactions broken down by type of securitised asset and type of exposure

Type of securitised assets/Exposures	Balance sheet exposures						Guarantees issued			Credit lines		
	Senior		Mezzanine		Junior		Senior	Mezzanine	Junior	Senior	Mezzanine	Junior
	Carrying amount	Value adjustments/write-backs	Carrying amount	Value adjustments/write-backs	Carrying amount	Value adjustments/write-backs	Net exposure	Value	Net exposure	Value	Net exposure	Value
A. Subject to full derecognition from the financial statements	1,928	0	12	-	0	-						
- doubtful	1,928	0	12	-	0	-						
B. Subject to partial derecognition from the financial statements												
C. Not derecognised from the financial statements												

C.3 Securitisation vehicles

C.4 Non-consolidated securitisation vehicles

The Bank does not hold any interests, nor do its employees hold any corporate positions in the SPV Buonconsiglio3 S.r.l., whose shares are entirely held by the company Special Purpose Entity Management 2 S.r.l.

C.5 Servicer activities – own securitisations; collections of securitised loans and redemptions of securities issued by the securitisation vehicle

For the "Buonconsiglio 3" securitisation, the role of servicer is performed by third parties with respect to the Bank.

E. SALE TRANSACTIONS

C. FINANCIAL ASSETS SOLD AND FULLY DERECOGNISED

Qualitative information

As part of the management of impaired loans, the Bank carries out sales if:

- the price of the individual transaction or of the package of transactions to be sold is considered reasonable also considering the charges to be incurred for the future management of the positions;
- there is a clear operational burden related to the management of the credit to be sold;
- the transferee is positively assessed and provides adequate guarantees of performance;
- the possible territorial impacts with reference to the transferred debtor have been favourably assessed.

The sale must in any case be carried out in compliance with the provisions of the Guidelines and must be approved by the Board of Directors after a positive assessment by the Credit Risk Management Committee.

Quantitative information

During the year, 1 single name sale was made of non-performing loans with a gross carrying amount of €4.0m at the time of the sale, already written down as at 31 December 2024 by €2.7m. Given these values, the transferee paid to the Bank an amount of €3.0m that led the Bank to a gross loss of €1.0m. Net of existing allowance for doubtful accounts, these operations led to the recording in the income statement of the Bank of a profit on disposal of €1.7m.

The effects described above are shown in the tables "A.1.9 Balance sheet credit exposures to customers: trend in gross impaired exposures", under items "C.4 Sale proceeds" and "C.5 Losses on disposal", and "A.1.11 Balance sheet impaired credit exposures to customers: trend in total value adjustments", under items "B.3 Losses on disposal", "C.3 Gains on disposal" and "C.7 Other decreases".

Disclosure on the sale of loans to a mutual investment fund with allocation of the relevant units to the selling intermediaries²⁷

In 2016, the Bank took part as "transferor" in a sale without recourse, under Law no. 130/99, of the doubtful loans portfolios promoted and managed by Finanziaria Internazionale S.p.A. and having as its counterparty, as "transferee", the company Sole SPV S.r.l. The transaction did not involve the Bank as servicer nor as an underwriter of the securities issued by the transferee to finance the purchase; moreover, as the Bank does not provide guarantees of any kind, the requirements for the derecognition of the loans transferred from the Bank's assets were deemed to be met.

The sale involved a doubtful loans portfolio with a gross value of €8.150m, at the time of the sale, already written down as at 31 December 2015 by €4.488m. Given these values, the transferee paid to the Bank an amount of €3.440m that led the Bank to a gross loss of €4.710m. Net of existing allowance for doubtful accounts, the operation has weighed on the income statement of the Bank for net €0.222 thousand, the result of losses on disposal for €0.295m and gains on disposal of €0.073m.

The amount received from the transferee was reinvested in units of the Finint Fenice closed-end real estate fund, managed by Finanziaria Internazionale SGR S.p.A., which includes the properties used to guarantee doubtful loans sold.

During 2017, the Bank took part in a similar sale transaction with the same pattern and the same counterparties in relation to a portfolio of non-performing positions with a gross carrying amount of €10.1m at the time of sale already written down by €4.4m as at 31 December 2016. Given these values, the transferee paid to the Bank an amount of €5.6m that led the Bank to a gross loss of €4.5m. Net of existing allowance for doubtful accounts, the operation has weighed on the income statement of the Bank for net €96 thousand, the result of losses on disposal of €369 thousand and gains on disposal of €272 thousand.

Also in this case, the amount received from the transferee was reinvested in units of the Finint Fenice closed-end real estate fund, managed by Finanziaria Internazionale SGR S.p.A., which includes the properties used to guarantee doubtful loans sold through Sole SPV S.r.l.

At the end of the reporting period, the Bank holds 18,548 (out of a total of 211,225, or 8.78%) units in the Finint Fenice Fund, valued on the basis of the NAV as at 31 December 2025 at €522,784.091 each compared to an initial carrying amount of €500,297.473 (see Report on Operations, Business Review, Equity investment activities).

In December 2020, the Bank transferred without recourse a relationship, classified as unlikely to pay, to the Value Italy Credit 3 fund managed by Value Italy Sgr S.p.A., as part of a transaction pursuant to Law no. 130/99.

The transaction did not involve the Bank as servicer nor as an underwriter of the securities issued by the transferee to finance the purchase; moreover, as the Bank does not provide guarantees of any kind, the requirements for the derecognition of the loans transferred from the Bank's assets were deemed to be met.

The relationship transferred had a gross carrying amount, at the time of the sale, of €1m, already written down as at 31 December 2019 for €0.7m. Against these values, the Bank received 10 units of the VIC3 fund for a value of €50 thousand each for a total value of €0.5m. The transaction entailed the recording of a gross loss of €0.5m which, net of pre-existing write-down provisions, led to the recognition of a gain on disposal of €0.2m.

In 2024, the fund was incorporated into the Clessidra Credit Recovery fund managed by Clessidra Capital Credit SGR; as a result, at the date of these financial statements, the Bank is the owner of 369,990.04 units of the Clessidra Credit Recovery fund valued at 31 December 2025 on the basis of a NAV of €1 each (see Report on Operations, Business Review, Equity investment activities).

SECTION 2 – MARKET RISK

2.1 INTEREST RATE RISK AND PRICE RISK – REGULATORY TRADING PORTFOLIO

The Bank owns a contained number of financial instruments classified in the regulatory trading portfolio, with regard to both numbers and amount: these relate, in particular, to 54 cap options on interest rates, of which 27 contracts with ordinary customers and 27 corresponding contracts with banking counterparties. The measurement of the interest rate risk of these transactions is carried out in the context of the Asset & Liability Management process of the overall portfolio.

It is highlighted, as at the reporting date, the Bank was not exposed either directly or indirectly to structured credit products of the ABS (Asset Backed Securities) and CDO (Collateralised Debt Obligation) type linked to sub-prime and Alt-A loans or to financial products that the market perceives as risky. Price risk is not measured because the Bank does not own any financial instruments sensitive to price risk (equity securities or UCITS) that are classified in the regulatory trading portfolio.

2.2 INTEREST RATE RISK AND PRICE RISK – BANKING BOOK

²⁷ This disclosure is made pursuant to the Bank of Italy's communication of 23 December 2019 "Closed or current financial statements of banking and financial intermediaries as at 31 December 2019".

Qualitative information

A. General aspects, management processes and methods of measuring interest rate risk and price risk

The IRRBB incurred by the Bank in relation to its banking book largely ensues from the main service (loans and securities) it performs as an intermediary, active in the process of maturity transformation and is mainly due to the imbalance between asset and liability items in terms of the amortisation plan with regard to amount and maturity, financial duration and type of interest rate.

The organisational structure responsible for monitoring and controlling the interest rate risk in the banking book (IRRBB) consists of the Risk Management and ICT Risk functions. The measurement and monitoring of interest rate risk in the banking book (IRRBB) are carried out using the internal Ermas – BSM (Balance Sheet Management) model, applying a full revaluation approach, updated in line with the latest RTS and ITS that came into force during 2024. The management of this financial risk in question is carried out monthly and at least every quarter, meetings of the ALCO Committee (Asset/Liability Committee) are convened; a periodic report is submitted to the Board of Directors.

For the assessment and monitoring of risks arising from potential changes in credit spreads on assets not included in the trading book (CSRBB), the internal Ermas model developed by Prometeia has been adopted, applied to the securities portfolio. Similarly to IRRBB, CSRBB management is based on monthly analyses, ALCO committee meetings and reporting to the Board of Directors.

Quantitative information

Banking book: internal models and other sensitivity analysis methods

The Ermas IRRBB model, after distributing the assets and liability items according to the repricing schedule, calculates the sensitivity to EBA shock scenarios both in terms of change in the market value of shareholders' equity (EVE Delta) and in terms of change in net interest income at one year (NII Delta). Baseline values and those in shock scenarios are calculated, obtaining the sensitivity by difference. The Market Value Change of the items at fair value is also recorded, in compliance with the widening approach required by regulations.

The Delta EVE calculation under the worst-case interest rate shock scenario (Steeper) shows a decline, falling from a delta of 4.75% relative to own funds in 2024 (Parallel Up) to 2.31% in 2025. The improvement in the indicator reflects not only the increase in own funds, but also a targeted interest rate risk reduction strategy implemented by the Bank through various actions (in particular, new lending granted almost entirely at variable rates and the replacement of fixed-rate government bonds with floating-rate government bonds). The Delta EVE Steeper stress test shows an impact on equity of -€5.1m. The worst case scenario in terms of NII Delta, represented by a parallel shock of -200 bps, entails a contraction of the margin estimated of around €5.8m. The impact of the Market Value Change under the worst-case scenario (Parallel Up) is approximately -€4.5m.

Interest rate risk	Thousands of €
EVE Delta (shock +200 bps)	-5,083
NII Delta (shock -200 bps)	-5,828
Market Value Changes (shock +200 bps)	-4,465

The Bank also considers basis risk to be material, as calculated by the ERMAS procedure developed by Prometeia. This represents a component of Delta NII, and is therefore already included in that measure, arising from the imperfect correlation between movements in the overnight €STR rate and the reference parameters of banking book items (e.g. 1/3/6-month Euribor). The most adverse shock scenario (narrowing) results in a Delta NII of -€3.5m.

The ERMAS CSRBB model, applied to the securities portfolio within the banking book, allocates assets and liabilities based on the repricing timeline of the credit spread component, applying customised shocks by cluster (rating, macro-sector, geographical area, currency), calibrated on historical CSRBB spread curves. The calculation of Delta EVE under the widening scenario (worst case) shows an impact on equity of -€7.7m. The conditions driving this significant impact are as follows:

- the volume and residual maturity of liabilities are negligible compared with assets (larger and longer-term bond issuances would mitigate the overall effect);
- for CSRBB, unlike IRRBB, the distinction between fixed-rate and floating-rate instruments is irrelevant, as the shock affects the credit spread component, which does not reprice periodically like the risk-free component.

The widening scenario is also the worst in terms of Delta NII, with an impact of -€113 thousand.

Interest rate risk CSRBB	Thousands of €
Delta EVE (widening shock)	-7,708
Delta NII (widening shock)	-113

Price risk – Banking book

In keeping with its risk profile the Bank did not engage in purely speculative transactions and therefore exposure of its securities portfolio to price risk is deemed to be still limited for the evaluation of the Bank's situation.

With regard to Merchant Banking, the Bank is engaged in Equity Investment activities in relation to the purchase of minority shareholdings, mostly in industrial companies. The role of the Bank in these investee companies is that of strategic shareholder and the selection and assessment of initiatives is carried out, based on internal procedures, by specialised organisational units created on an ad-hoc basis and subject to review by the Investment Committee. Lastly, investment transactions are resolved by the Board of Directors after ascertaining that they comply with the prudential limitations set forth by the Supervisory Authority.

The Bank also holds an equity portfolio that is functional to the optimisation and diversification of investments, consisting – for around €44.36m – of securities of some important companies listed on the primary listing of the Italian Stock Exchange, samples and benchmarks of the respective segment, operating in the banking, insurance and energy sectors, with a large free float listed and able to generate adequate coupon returns on a stable basis. An investment of €20m in Bank of Italy shares was added to this component.

Every six months, just like for other financial statement items, an in-depth valuation process is conducted, subject to validation by the Investment Committee and adequately documented, aimed at verifying the existence of objective evidence of impairment (impairment test). This portfolio is equal to about 6% of total financial statement assets.

Specific procedures are also followed for the management of price risk on debt securities, just over 50% of which are classified in the HTC (Hold to Collect) portfolio. The Bank purchased Government and bank bonds that are eligible for refinancing with the European Central Bank. For the evaluation of such assets, the Bank has internal policies that define the criteria and methodologies for determining the current fair value and the operational and size limits of the portfolio in question.

The MC VaR of treasury securities in the Banking Book as at 31 December 2025 stood at 0.68% (0.74% in December 2024), corresponding to an amount of €2.2m based on the portfolio's market value (€2.1m in December 2024).

2.3 EXCHANGE RISK

Qualitative information

The Risk Appetite Framework as part of the proprietary securities portfolio management strategy sets limits on the purchase of securities denominated in non-euro currencies, both in percentage terms on the entire portfolio and in terms of basket of negotiable currencies.

These transactions pertain to the Bank's main non-trading activity and, as of today, are not present in the portfolio.

To hedge the exchange rate risk, the Bank may finance these purchases through deposits in foreign currency.

SECTION 3 – DERIVATIVE INSTRUMENTS AND HEDGING POLICIES

3.1 TRADING DERIVATIVE INSTRUMENTS

A. Financial derivatives

A.1 Financial trading derivatives: notional values at the end of period

Underlying assets/Types of derivative	2025				2024			
	Over the counter			Organised markets	Over the counter			Organised markets
	Clearing House	Without Clearing House With offset agreements	Without Clearing House Without offset agreements		Clearing House	Without Clearing House With offset agreements	Without Clearing House Without offset agreements	
1. Debt securities and interest rates		86,713				80,350		
a) Options ¹		86,713				80,350		
b) Swaps								
c) Forwards								
d) Futures								
e) Others								
2. Equity securities and stock indexes								
a) Options								
b) Swaps								
c) Forwards								
d) Futures								
e) Others								
3. Currencies and gold								
a) Options								
b) Swaps								
c) Forwards								
d) Futures								
e) Others								
4. Commodities								
5. Others								
Total		86,713				80,350		

1 These relate to cap options sold to ordinary customers and the associated counter-hedges purchased from bank counterparties.

A.2 Financial trading derivatives: gross positive and negative fair value – breakdown by product

Underlying assets/Types of derivative	2025				2024			
	Over the counter			Organised markets	Over the counter			Organised markets
	Clearing House	Without Clearing House With offset agreements	Without Clearing House Without offset agreements		Clearing House	Without Clearing House With offset agreements	Without Clearing House Without offset agreements	
1. Positive fair value								
a) Options ¹			1,488					1,279
b) Interest rate swaps								
c) Cross currency swaps								
d) Equity swaps								
e) Forwards								
f) Futures								
g) Others								
Total			1,488					1,279
1. Negative fair value								
a) Options ²			1,434					1,247
b) Interest rate swaps								
c) Cross currency swaps								
d) Equity swaps								
e) Forwards								
f) Futures								
g) Others								
Total			1,434					1,247

1 These relate to OTC cap options purchased from bank counterparties to counter-hedge corresponding options sold to ordinary customers.

2 These are OTC cap options sold to ordinary customers.

A.3 OTC financial derivatives: notional values, gross positive and negative fair value by counterparty

Underlying assets	Clearing House	Banks	Other financial corporations	Others
Contracts not included in offset agreements				
1) Debt securities and interest rates				
- notional values		43,357		43,357
- positive fair value		1,488		
- negative fair value				1,434
2) Equity securities and share indices				
- notional values				
- positive fair value				
- negative fair value				
3) Currencies and gold				
- notional values				
- positive fair value				
- negative fair value				
4) Commodities				
- notional values				
- positive fair value				
- negative fair value				
5) Others				
- notional values				
- positive fair value				
- negative fair value				
Contracts included in offset agreements				
1) Debt securities and interest rates				
- notional values				
- positive fair value				
- negative fair value				
2) Equity securities and share indices				
- notional values				
- positive fair value				
- negative fair value				
3) Currencies and gold				
- notional values				
- positive fair value				
- negative fair value				
4) Commodities				
- notional values				
- positive fair value				
- negative fair value				
5) Others				
- notional values				
- positive fair value				
- negative fair value				

A.4 OTC financial derivatives – residual maturity: notional values

Underlying/Residual maturity	Up to 1 year	Between 1 and 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	1,898	27,757	57,058	86,713
A.2 Financial derivatives on equity securities and share indices				
A.3 Financial derivatives on currencies and gold				
A.4 Financial derivatives on commodities				
A.5 Other financial derivatives				
Total 2025	1,898	27,757	57,058	86,713
Total 2024	2,000	25,756	52,594	80,350

SECTION 4 – LIQUIDITY RISK

Qualitative information

A. General aspects, management processes and methods of measuring liquidity risk

The liquidity risk originates from the time mismatch between positive and negative cash flows in relation to both the short and a medium-long period. This could cause the Bank to fail to meet its payment obligations due to the inability to raise new funds and/or sell its assets on the market or to be forced to incur very high costs to meet these commitments. The sources of liquidity risk to which the Bank is exposed are represented mainly by the processes of Financing/Funding and Loans.

The measurement and management of the liquidity risk is carried out by means of financial planning tools (in particular the management model for the daily calculation of the indicator LCR and weekly calculation of the NSFR of the Liquidity Gap Analysis based on a maturity ladder of all the cash flow generated by operating activities, with or without the effect of the new volumes) which allowed to choose the most suitable funding policies in the medium-long term.

The Bank continues to pay special attention in order to keep a substantial equilibrium between the duration of borrowing and lending, and to diversify the sources and types of funds it raises to mitigate non-systemic liquidity risks.

The liquidity risk management policy includes, essentially:

- tasks for governing bodies with particular focus on the role of the ALCO Committee (Assets & Liabilities Committee);
- a liquidity risk tolerance threshold in the short term and for structural liquidity, obtained by identifying measurement indicators, attention indicators and operating limits (maturity ladder, cover ratio LCR, NSFR - Net Stable Funding Ratio);
- risk mitigation tools;
- stress testing and contingency plan to deal with adverse situations in raising funds (Contingency Funding Plan);
- formalisation of the existing management system of internal funds transfer pricing;
- reporting between the corporate structures and bodies.

The rules for managing liquidity risk are based on two principles:

- **short-term liquidity management**, aiming to ensure the ability to meet foreseen and unforeseen payment obligations by maintaining a sustainable balance between incoming and outgoing cash flows in the short-term (1 year). Short-term liquidity management is an essential condition for the normal operational continuity of the bank. Typical actions taken for this purpose are:
 - to manage access to demand deposits or short-term term deposits (also collateralised), to the European Central Bank;
 - to manage cash disbursements to be made and to monitor the consistency and degree of utilisation of cash reserves.
- **management of structural liquidity**, aiming to maintain an appropriate balance between medium/long term (over 1 year) assets and liabilities in order to avoid pressures on sources, current and future in the short-term. Typical actions taken for this purpose are related to:
 - management of maturity transformations;
 - increase of stable funding sources;
 - diversification of liquidity sources and optimisation of funding costs.

In particular, the monitoring of the Bank's liquidity position is achieved by checking both the interval mismatches (interval gap) and the cumulative mismatches (cumulative gap) on different time frames of the maturity ladder by using reports produced by the Budget and Planning function.

The liquidity report is dynamic i.e. it summarises the liquidity needs and the associated ability to cover them in monthly periods, quantified using stress scenarios based on liquidity profiles. The Bank is aware that the validity of the stress tests should be considered within the (particularly adverse) working context (by testing the resistance); therefore, in light of current market scenarios, the Bank also conducts enhanced stress tests.

The preliminary analysis activities for the definition of the scenarios were carried out by evaluating the following factors:

- the objectives for the 2025 budget;
- the current economic climate and possible changes in the time frame of reference;
- difficult access to stable forms of financing in the medium/long-term;
- level of rating with related costs of funding;
- changes in the shareholding structure and/or related shareholders' agreements;
- situation of unpaid amounts and default positions.

We also evaluated other factors not exclusively related to liquidity risk. In particular, also the possible impact of organisational/operational malfunctions that do not allow the use of short-term forms of funding was considered as a trigger for liquidity risk in the short-term.

The funding requirements for 2025 were met in particular by deposits from corporate and retail customers totalling €483m, mostly subject to maturity restrictions, by new loans from Cassa Depositi e Prestiti amounting to €15m, as well as €19m in bank deposits subject to maturity and a further €10m from EIB loans. In addition to these, there were ECB refinancing facilities amounting to €70m

to cover any unexpected outflows during the period between the end of 2025 and the start of 2026.

To manage liquidity risk, the Bank maintained adequate margins of available residual liquidity throughout 2025, averaging around €500m, essentially stable compared to the 2024 average, as well as a positive average cash balance of approximately €107m (€129m in 2024). As at 31 December 2025, total eligible collateral amounted to €885m, an increase of 2% compared with 31 December 2024 (€867m). At the end of 2025, the residual available liquidity from the ECB amounted to approximately €460m.

The collateral allocation forecast for 2026 is expected to remain above €500m.

With regard to the liquidity coverage ratio (LCR) referred to in Delegated Regulation (EU) 2015/61, as at 31 December 2025 the Bank recorded a ratio of

375%, well above the required minimum (100%), whilst the NSFR reached 125%, compared with the regulatory limit of 100%: the expected development of the liability structure will enable the ratio to be maintained at safe levels and within the tolerances set by the Bank.

Funding sources point to an increasingly broad diversification of funding: in this regard, during 2025, the "Conto rifugio" recorded significant growth in balances, rising to approximately €479m (€415m at the end of 2024, €250m at the end of 2023) against a decline in deposits raised via the Raisin platform on the foreign market (approximately €50m compared to €131m at the end of 2024) which, in addition to supplementing funding from other channels, is potentially capable of ensuring good liquidity flows even under contingency conditions, given the considerable flexibility of the terms offered.

To cover funding requirements for 2026, total funding is estimated at around €1.3b, of which approximately 42% will come from retail funding (Conto Rifugio and Raisin channels), 31% from corporate funding, 14% from shareholder funding, and, finally, targeted funding through traditional medium- to long-term channels such as the EIB and Cassa Depositi e Prestiti for approximately 10%.

In addition to the usual ECB refinancing channel (within the drawdown margin), the use of short-term credit facilities with banking counterparties will enable the optimisation of cash balance management and will act as a buffer capable of easily absorbing sudden liquidity requirements.

In 2025, the report on the internal liquidity adequacy assessment process (ILAAP) was also prepared; this is of particular importance within the broader supervisory review and evaluation process (SREP) that CRD IV requires to be carried out

by supervisory authorities and represents a summary and self-assessment by the bank of liquidity risks and its ability to address them in terms of both processes and the adequacy of resources. In fact, Article 86 of the CRD IV requires "competent authorities to ensure that entities have robust strategies, policies, processes and systems in place to identify, measure, manage and monitor the liquidity risk over an appropriate set of time horizons, including on a daily basis, so as to ensure that entities maintain adequate levels of liquidity reserves".

Taking these factors into account — together with the Bank's business model, the complexity of its balance sheet and liquidity profile, its funding diversification policies and the support of shareholders bound by a shareholders' agreement — the Bank considers its liquidity management framework, related controls and both static and dynamic indicators to be adequate for guiding decisions on operational and financial planning, including funding plans. Indicators related to liquidity risk are also included in the Recovery Plan, which envisages appropriate tolerance levels and triggers for the activation of early intervention and adjustment measures.

Quantitative information

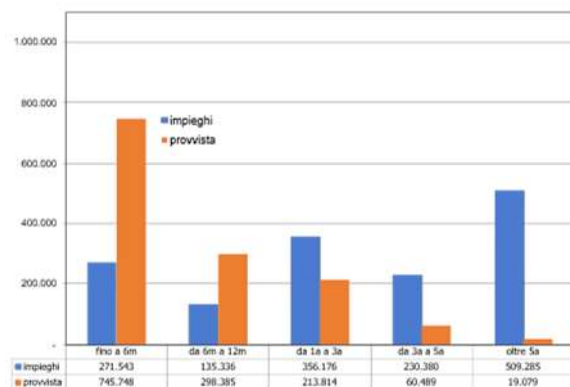
1. Time distribution by residual contractual duration of financial assets and liabilities

Items/Maturities	On demand	From 1 to 7 days	From 7 to 15 days	From 15 days to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	Beyond 5 years	Undetermined duration
A. Cash assets	135,416	5,948	6,688	3,615	39,343	80,533	135,336	586,556	500,580	8,706
A.1 Government securities			471		145	4,112	4,457	62,000	258,000	
A.2 Other debt securities			691	563	2,512	2,760	7,906	50,551	12,817	
A.3 Investments in UCITS	18,942									
A.4 Loans	116,474	5,948	5,525	3,052	36,686	73,662	122,973	474,004	229,762	8,706
- Banks	102,768									
- Customers	13,706	5,948	5,525	3,052	36,686	73,662	122,973	474,004	229,762	
B. Cash liabilities	416,945	7,390	11,595	15,426	102,868	125,010	298,385	274,303	19,079	
B.1 Deposits and current accounts	416,932	3,841	11,595	15,426	99,835	92,638	284,260	207,435	64	
- Banks	1,524				11		18,061	19,000		
- Customers	415,408	3,841	11,595	15,426	99,824	92,638	266,199	188,435	64	
B.2 Debt securities						20,560	65	1,000		
B.3 Other liabilities	12	70,063			3,034	11,812	14,060	65,868	19,015	
C. Off-balance sheet transactions	12,051						151	1,417	3,094	
C.1 Financial derivatives with exchange of capital										
- Long positions										
- Short positions										
C.2 Cash settled financial derivatives							151	1,213	912	
- Long positions							76	607	456	
- Short positions							76	607	456	
C.3 Deposits and loans to be received										
- Long positions										
- Short positions										
C.4 Irrevocable commitments to disburse funds	12,051							203	2,182	
- Long positions	4,833							203	2,182	
- Short positions	7,219									
C.5 Financial guarantees issued										
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										

For a better representation of flows generated by the Bank's operations, prevalently medium/long-term ones and with an amortisation plan, and of the related maturity transformation, the time distribution of cash assets and liabilities is shown also in graphical form.

In particular, we highlight the following points in the graph below:

- a negative gap of €474m in the short-term band (up to 6 months), due to €392m in customer deposits and demand current accounts and the maturity of €20m in bond loans;
- a negative gap of approximately €163m in the under-one-year band, comprising €125m in notice or term deposits held by corporate customers and €147m held by retail customers;
- a positive gap in the "1 to 3 years" band of €142m (€141m net of estimated NPL flows), driven by the maturity of deposits from corporate customers amounting to €74m and from retail customers amounting to €98m;
- a positive gap in the "3 to 5 years" band of €170m;
- a positive gap of €490m in the "over 5 years" band.



Disclosure on on-balance sheet assets pledged as a guarantee ²⁸

Technical forms	Pledged		Not pledged		Total 2025	Total 2024
	Carrying amount	Fair value	Carrying amount	Fair value		
1. Cash and cash equivalents			102,766		102,766	149,414
2. Debt securities	4,993	5,155	393,136	392,415	398,129	349,720
3. Equity securities			79,834	79,834	79,834	64,992
4. Loans	277,954		662,687		940,642	943,981
5. Other financial assets			20,430		20,430	19,483
6. Non-financial assets			10,724		10,724	8,349
Total 2025	282,947	5,155	1,269,578	472,248	1,552,525	
Total 2024	95,192	5,263	1,440,747	400,594		1,535,939

Disclosure on off-balance sheet owned assets pledged as a guarantee

The Bank has not committed any owned assets not recognised in the financial statements either in 2025 or in the previous year as collateral for liabilities.

Eurosystem credit operations

The Bank has no outstanding credit operations with the Eurosystem.

Securities not recognised in assets in the statement of financial position to guarantee borrowings

At the end of the financial year, the Bank did not have any securities not recognised in assets in the statement of financial position used as collateral to guarantee borrowings.

Loans and advances to customers to guarantee mortgage borrowings

During March 2025, the Bank repaid the following loans obtained from the EIB ahead of schedule:

- a €16m contract entered into in November 2012 and secured by the assignment, with recourse, of the receivables owed to Mediocredito by the final beneficiaries;
- a €34m contract signed in July 2013, secured by a guarantee from the Autonomous Region of Trentino-South Tyrol, which is in turn counter-guaranteed by the assignment, with recourse, of the receivables owed to Mediocredito by the final beneficiaries.

During October 2019, the Bank obtained from the EIB a new credit facility of €50m, fully drawn down.

According to the requirements of IFRS 7, paragraph 14, we state that:

- the carrying amount of the financial assets pledged as guarantee totalled €44.0m;
- by signing the above-mentioned contracts, the Bank irrevocably assigned with recourse to the EIB financial receivables it is owed by joint-stock companies relating to financing of plants for the production of energy from renewable sources and/or from public entities, as a guarantee of the full and punctual fulfilment of all the pecuniary obligations assumed by the Bank based on the loan agreement with the EIB. The transfers of receivables amount to at least 100% of the loan liabilities to the EIB, from time to time remaining as the result of principal payments made by the Bank under the loan contract itself; the contract provides that (for the exclusive purpose of guarantee) the effectiveness of the transfer of receivables is immediate and remains valid until the full and complete fulfilment of the obligations guaranteed. The EIB has also granted the Bank a mandate for the management of the assigned receivables. The credit risk remains with the Bank and, unless the Bank defaults, the receivables will be automatically transferred back to the Bank ownership at the time of their collection.

During March 2023, the Bank obtained from the EIB a new loan of €35m drawn down for €10m.

According to the requirements of IFRS 7, paragraph 14, we state that:

- the carrying amount of the financial assets pledged as guarantee totalled €10.0m;
- with the contracts referred to above, the Bank transferred irrevocably with recourse to the European Investment Bank the receivables due from the final beneficiaries, to guarantee the full and punctual fulfilment of all the obligations of a pecuniary nature assumed by the Bank under the loan agreement with the EIB. The contract provides that (for the exclusive purpose of guarantee) the effectiveness of the transfer of receivables is immediate and remains valid until the full and complete fulfilment of the obligations guaranteed. The EIB has also granted the Bank a mandate for the management of the assigned receivables. The credit risk remains with the Bank and, unless the Bank defaults, the receivables will be automatically transferred back to the Bank ownership at the time of their collection.

In March 2013, the Bank signed an agreement with Cassa Depositi e Prestiti for the granting of one or more loans on a ceiling amount to be used for granting loans to SMEs. Loans for a residual amount of €51 thousand had been granted as at 31 December 2025.

These loans are guaranteed by the transfer with recourse of receivables due to Mediocredito from the final beneficiaries.

According to the requirements of IFRS 7, paragraph 14, we state that:

- the carrying amount of the financial assets pledged as guarantee amounted to €51 thousand;

²⁸ Assets are split into "pledged" and "not pledged" based on the provisions of the legislation in force for the reporting of "Restricted assets on an individual basis" (known as Asset Encumbrance – AEI information base)

- b. by signing the above-mentioned contract, the Bank transferred with recourse to Cassa Depositi e Prestiti its future credit rights, of any nature, and any other advantageous legal position in relation to these credit rights towards Assigned Debtors and Guarantors in relation to all receivables.

The contract provides that (for the exclusive purpose of guarantee) the effectiveness of the transfer of receivables is immediate and remains valid until the full and complete fulfilment of the obligations guaranteed. Cassa Depositi e Prestiti has also granted the Bank a revocable mandate for the management of the assigned receivables. The credit risk remains with the Bank and, unless the Bank defaults, the receivables will be automatically transferred back to the Bank ownership at the time of their collection.

In June 2023, the Bank signed an agreement with Cassa Depositi e Prestiti for the granting of one or more loans on a ceiling amount to be used for granting loans to SMEs and mid-caps. Loans for a residual amount of €51.3m had been granted as at 31 December 2025.

These loans are guaranteed by the transfer with recourse of receivables due to Mediocredito from the final beneficiaries.

According to the requirements of IFRS 7, paragraph 14, we state that:

- a. the carrying amount of the financial assets pledged as guarantee amounted to €51.3m;
- b. by signing the above-mentioned contract, the Bank transferred with recourse to Cassa Depositi e Prestiti its future credit rights, of any nature, and any other advantageous legal position in relation to these credit rights towards Assigned Debtors and Guarantors in relation to all receivables.

The contract provides that (for the exclusive purpose of guarantee) the effectiveness of the transfer of receivables is immediate and remains valid until the full and complete fulfilment of the obligations guaranteed. Cassa Depositi e Prestiti has also granted the Bank a revocable mandate for the management of the assigned receivables. The credit risk remains with the Bank and, unless the Bank defaults, the receivables will be automatically transferred back to the Bank ownership at the time of their collection.

SECTION 5 – OPERATIONAL RISKS

Qualitative information

A. General aspects, management processes and methods of measuring operational risk

The capital regulations currently in force (Basel IV) include operational risk – that is, the risk of incurring losses arising from inadequacies or failures in procedures, human resources and internal systems, or from external events – amongst the Pillar I risks, for which there is an obligation to set aside a portion of own funds. This definition includes legal risk (in terms of exposure to fines, or penalties stemming from measures taken by the Supervisory Authority) but excludes strategic and reputation risk.

The Basel Committee acknowledges that "operational risk" is a term that may have different meanings to different banks. Still, a clear appreciation and understanding by banks of what is meant by operational risk is critical to the effective management and control of this risk category.

The Basel Committee has identified the following types of operational risk events as having the potential to result in substantial losses: fraud (internal and external), violation of employee health and safety rules, violation of rules regulating the client-bank relationship, damage to property, plant and equipment, business disruption and system failure and finally operational and/or procedural non-compliance.

For the purposes of determining the capital requirement for operational risk, the Bank adopts the Standardised Approach (SA) introduced by the Basel Committee on Banking Supervision as part of the prudential reform known as Basel 4 (BCBS, December 2017), transposed into European law via Regulation (EU) 2024/1623 (CRR3), applicable from 1 January 2025, and regulated at national level by Bank of Italy Circular no. 285. Under this methodology, the capital requirement is determined on the basis of the Business Indicator (BI), a summary indicator of the Bank's business volume calculated as the sum of three components – the interest, leasing and dividends component (ILDC), the services component (SC) and the financial component (FC) – each measured as a three-year average. A system of increasing marginal coefficients, divided into three bands, is applied to the BI thus determined, generating the Business Indicator Component (BIC), which corresponds to the final capital requirement for operational risk.

The Bank, within the scope of internal control systems, developed and continues to develop activities and initiatives on the theme of monitoring and management of operational risk. In particular, the following is worth noting:

- the adoption of the non-compliance risk management model focusing on periodic reports by the responsible function (reports, audit reports, opinions, etc.) to the governing bodies, the General Management and the control structures or functions of the Bank and targeted not only at risk monitoring but at spreading a corporate ethos based on the principles of honesty, fairness and compliance with the rules;
- the composition and activity of the Risks Committee: in addition to the corporate control functions, an independent Director, the General Manager and the Manager responsible for preparing the company's financial reports also take part in the Committee. Among its primary purposes, the Committee (i) discusses the status of the internal control system, assessing the overall effectiveness of the controls, also in relation to the risk appetite framework - RAF adopted by the Bank, (ii) coordinates the scheduled activities and the relative methods of execution in relation to risk control, and (iii) annually examines the ICAAP and ILAAP processes report;
- the focus on the administrative liability of the company (Legislative Decree no. 231/2001), whose monitoring is entrusted to the Board of Statutory Auditors in cooperation with the internal structures;
- the creation of the anti-money laundering function dedicated to overseeing regulations under Legislative Decree no. 231/07;
- the continuation of the traditional assessment of the risk profiles, also on the themes of organisation and IT technologies, as part of the preparation and revision of the Risk Appetite Framework;
- the careful management of ICT risks, which involves three levels, in order to guarantee constant and specialised regulatory and technical oversight:
 - ICT and security function (operating structure, responsible for line/level I controls);
 - ICT Risk function (control structure, responsible for level II controls);
 - Audit function (control structure, responsible for level III controls);
- the ongoing updating, in accordance with the "Provisions for the Supervision of banks" (Bank of Italy Circular no. 285 of 17 December 2013 and subsequent amendments), of the Regulation for the Flow of Information, in order to promote structured forms of communication and exchange of complete, timely and accurate information inside the corporate bodies, between different bodies and from the structure to the governing bodies;

- agreement between the compliance and internal audit functions to enhance the interaction between the two structures and make the functioning of internal controls more efficient, providing forms of cooperation for the conduct of audits; in particular, in this context, it should be noted that the interventions are shared during the drafting of the relative annual plans of the activities and that some audit activities are carried out jointly – each for its own areas of competence;
- the separation of the internal control functions (compliance, anti-money-laundering, risk management, ICT Risk and internal audit) from the operational structures of the Bank, reporting directly to the Board of Directors (the body with strategic supervision and management functions), in order to ensure maximum autonomy of action, hierarchical independence and freedom of access to all information sources of the Bank;
- the continuous process of updating and upgrading of the Internal Control System, with particular reference to maintaining the mapping of business-critical activities and the definition/expansion of the internal second level controls, both for compliance and risk-management;
- the constant updating of the operational processes of the Bank (also through the introduction of automated systems for operational support and control), with particular reference to the related regulations on anti-money laundering, transparency, usury and privacy;
- the presence of an updated internal system for reporting violations - Whistleblowing (computer system for reporting violations that guarantees the confidentiality of the reporter) guided by a specific regulation;
- the adoption of a policy on Product Oversight and Governance of banking products - POG, in implementation of the Guidelines of the European Banking Authority on governance and control mechanisms for retail banking products.

Throughout 2025, the process of reviewing and carrying out comprehensive maintenance of the internal control system continued, partly in response to changes in the Bank's operations. The most significant points of attention concern:

1. complete assimilation of the IT instruments to support the loan and NPL monitoring, risk management, anti-money laundering, product catalogue/transparency, impairment management, liquidity management;
2. updating of the mapping of operating processes and redefinition of first and second level control points;
3. adjustments of internal regulations (regulations/policies) to the changed operating processes.

These activities are systematically carried out with the support of a specific working group that involves the various company process owners and the company control functions.

Legal risks

The risks associated with litigation that involves the Bank are constantly monitored by the Legal Area.

Where a legal and accounting analysis shows the possibility of a negative outcome with a probable outflow of financial resources, the Bank shall put aside sufficient allocations to the provisions for risks and charges as a precaution, based on an estimate as reliable as possible, as well as implement settlement policies, if possible.

In particular, it is noted that:

- During the 2025 financial year, a claim for damages was brought in relation to the alleged unlawful granting of credit by Tecnofin Limited SRL (regarding Cantiere Navale Vittoria SPA). The credit granted by the Bank represents 27.5% of the bank loans granted; given that the loss suffered by Tecnofin is quantified at €1,860,600, the portion of the loss potentially attributable to MCTAA would amount to approximately €500,000. A provision for risks has therefore been set aside at 50% for a total of €250,000;
- During the 2014 financial year, the existence of a contingent liability linked to the claim for damages arising from the insolvency proceedings concerning Carolina S.r.l., totalling €3.6m, was assessed; to date, there are no concrete grounds to suggest that the claims made by the insolvency proceedings are likely to be upheld. For this reason, the Bank does not, at present, consider it justified to create a specific provision dedicated to the dispute;
- During the 2025 financial year, the Bank was subject to a "preventive seizure" order concerning allegedly non-existent tax receivables acquired from the company Requalifica SRL (now in judicial liquidation). This seizure prevents our Bank from disposing of these receivables, despite them having been duly purchased and paid for. The Bank is currently a potential creditor (if and when the seizure is converted into confiscation). Based on legal assessments and the information available, a provision for risks totalling €221,064 has been set aside.

PART F INFORMATION ON EQUITY

SECTION 1 – EQUITY

A. QUALITATIVE INFORMATION

The equity is composed of share capital (ordinary shares) and additional paid-in capital and reserves. The reserves are the aggregate of the legal reserve, the extraordinary reserve, and the reserves created in application of IAS/IFRS. The valuation reserves are the aggregate of fair value reserves related to financial assets measured at fair value through other comprehensive income, reserves from actuarial gains/losses related to defined benefit plans (severance indemnities) and those reserves that originate from the monetary revaluation of real estate. The adequacy of the equity is also monitored in relation to the minimum capital requirements specified by the supervisory regulations.

B. QUANTITATIVE INFORMATION

B.1 Equity: breakdown

Items/Amounts	2025	2024
1. Share capital	58,485	58,485
2. Additional paid-in capital	29,841	29,841
3. Reserves	106,249	99,314
- profit	106,249	99,314
a) legal	20,091	20,091
b) statutory	69,959	67,164
c) treasury shares	-	-
d) other	16,199	12,059
- others	-	-
4. Equity instruments	-	-
5. (Treasury shares)	-	-
6. Valuation reserves	29,300	17,260
- Equity securities designated at fair value through other comprehensive income	23,566	14,070
- Coverage of equity securities designated at fair value through other comprehensive income	-	-
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	1,791	(746)
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedges of foreign investments	-	-
- Cash flow hedges	-	-
- Hedging instruments (elements not designated)	-	-
- Exchange differences	-	-
- Non-current assets and groups of assets held for sale	-	-
- Financial liabilities designated at fair value through profit or loss (change in the Bank's creditworthiness)	-	-
- Actuarial gains (losses) on defined benefit plans	(375)	(382)
- Valuation reserves from investments accounted for using the equity method	-	-
- Special revaluation laws	4,318	4,318
7. Profit (loss) for the year	6,176	6,072
Total	230,052	210,972

B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

Assets/Amounts	2025		2024	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	1,791	-	160	(907)
2. Equity securities	25,600	(2,033)	16,377	(2,308)
3. Loans	-	-	-	-
Total	27,391	(2,033)	16,538	(3,215)

B.3 Valuation reserves for financial assets measured at fair value through other comprehensive income: annual changes

	Debt securities	Equity securities	Loans
1. Opening balance	(746)	14,070	-
2. Positive changes	2,540	11,932	-
2.1 Fair value increases	1,782	11,785	-
2.2 Net adjustments to credit risk	9	-	-
2.3 Reclassification through profit or loss of negative reserves following disposal	749	-	-
2.4 Transfers to other shareholders' equity components (equity securities)	-	-	-
2.5 Other increases	-	146	-
3. Negative changes	3	2,436	-
3.1 Fair value decreases	0	176	-
3.2 Write-backs for credit risk	3	-	-
3.3 Reclassification through profit or loss of positive reserves following disposal	-	-	-
3.4 Transfers to other shareholders' equity components (equity securities)	-	2,259	-
3.5 Other changes	-	-	-
4. Closing balance	1,791	23,566	-

B.4 Valuation reserves relating to defined benefit plans: annual changes

	2025	2024
A. Opening balance	(382)	(389)
B. Increases	-	-
B.1 Actuarial losses	-	-
C. Decreases	7	7
C.1 Actuarial gains	7	7
D. Closing balance	(375)	(382)

SECTION 2 – OWN FUNDS AND CAPITAL RATIOS

For a review of Own Funds and capital ratios, refer to the information on own funds and capital adequacy contained in the public disclosure ("Third Pillar"), as well as to the paragraph "Equity and the state of affairs of the Company" in the Report on Operations.

PART H – RELATED PARTY TRANSACTIONS

INFORMATION ON REMUNERATION OF MANAGERS WITH STRATEGIC RESPONSIBILITIES

The remuneration shown refers to the Directors and Managers with strategic responsibilities who held these positions in 2025, as per IAS 24 paragraph 17.

The remuneration paid to members of the Board of Directors and to the Board of Statutory Auditors is established in the appropriate Shareholders' Meeting resolution.

	Emoluments and social security contributions	Bonuses and other short-term benefits	Severance indemnities and pension fund
Directors and General Manager	748	52	30
Statutory Auditors	124		

RELATED PARTY TRANSACTION DISCLOSURE

The following tables were prepared according to IAS 24 and in particular, the breakdown of transactions performed with related parties was carried out in accordance with the instructions outlined in paragraphs 18 and 19 of the same standard.

Receivables and payables

Related parties	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	Other assets	Financial liabilities measured at amortised cost	Sundry payables
Entities that have joint control and significant influence over the Company	-	3,753	-	97,775	-
Directors and Managers with strategic responsibilities	-	93	-	723	-
Subsidiary companies	-	6,760	-	-	-
Total	-	10,605	-	98,498	

Financial assets measured at amortised cost

With regard to the amounts shown in the item "Entities that have joint control and significant influence over the Company", these are made up for €110 thousand of correspondent current accounts and for €3.6m of loans and advances granted to operational companies of the Autonomous Province of Trento.

Under the heading "Subsidiary companies", the value refers to a credit facility granted by the Bank to the subsidiary Paradisidue S.r.l. (based in Trento - Via Paradisi 2, Tax Code 01856850225), for the acquisition and renovation of properties in the context of bankruptcy proceedings. The loan was granted for €10.0m with revocable maturity, with remuneration at the 1-month Euribor.

The amounts shown under the heading "Directors and Managers with strategic responsibilities" relate to a loan granted to a company owned by a member of the Board of Directors prior to that member taking office.

Financial liabilities measured at amortised cost

With regard to the item "Entities that have joint control and significant influence over the Company", this comprises €89.3m in deposits from operational companies of the Autonomous Province of Trento, €7.5m in funds under administration from the two Autonomous Provinces, and €1m in bonds issued by us and subscribed by Cassa Centrale Raiffeisen.

Costs and revenues

Related parties	Interest income	Fee and commission income	Dividends/ other revenues	Interest expense	Fee and commission expenses	Other expenses
Entities that have joint control and significant influence over the Company	243	-	-	2,213	4	5
Directors and Managers with strategic responsibilities	8	-	-	26	-	-
Subsidiary companies	34	-	-	-	-	-
Total	286	-	-	2,239	4	5

Transactions with entities that have joint control and significant influence over the Company refer to relations with those shareholders who have joint control over the Bank, also due to agreements between the parties. Transactions with these shareholders were carried out under equivalent conditions to those that prevail in arm's length transactions.

PART L – SEGMENT REPORTING

In spite of the essential single sector character of the Bank's business operations and the associated geographic concentration of activities predominantly in North-eastern Italy, geographical disclosures are provided, as the Bank belongs to the category of listed issuers pursuant to transparency regulations.

On the other hand, information is not shown by business segment (secondary format) as this breakdown does not comply with the requirements of IFRS 8 paragraph 13²⁹ as it is not significant.

The present disclosure was prepared according to the requirements of IFRS 8, based on internal reports for the Management and the Board of Directors: it makes reference primarily to the classification of activities originated from commercial regional/geographical units while the secondary format with the breakdown of business by product was not provided, given the business focus on one sector. Less significant data are also reported to observe the management approach to reporting.

Income statement/statement of financial position results are determined on the basis of the following principles:

- the net interest income is obtained by applying the internal transfer rates consistent with the financial characteristics of the products;
- net commissions are punctually attributed to the customer/area/product who/which has generated them;
- direct costs and manufacturing costs have been respectively charged in a punctual manner and on the basis of criteria of reversal of actual costs and only for the primary reporting basis, in keeping with internal management data processed;
- central services costs (Management, Auditing, Planning and Control, Compliance, Risk Management, Administration, ...) have been charged to Head Office;
- statement of financial position components relate to volumes administered by the respective organisational units and are expressed in terms of interest-bearing balances at the end of the period.

SEGMENT REPORTING (NOTES)

The tables that are provided, prepared on the basis of internal management reports and applying the above-mentioned criteria, show a homogeneous distribution of margins among the main regional units. The Veneto area recorded a greater incidence of costs, characterised by a larger loan portfolio than the other areas. With regard to the cost of risk – which also includes the "Structure/Head Office" category, which encompasses changes in the fair value of UCITS units – South Tyrol has recorded significant write-backs, whilst the Emilia region has recorded write-downs, thereby also affecting overall profitability.

A.1 Distribution by geographical area of activity: income statement data in 2025

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/ Head office	Overall amount
Net interest income	1,148	1,597	1,741	875	889	9,273	15,522
<i>Net commissions</i>	196	511	265	246	203	486	1,907
Dividends and other trading and hedging gains	-	-	-	-	-	1,168	1,168
Net interest and other banking income	1,344	2,107	2,006	1,121	1,092	10,927	18,597
Write-backs/Adjustments to fin. assets	482	3,525	172	402	(748)	(1,255)	2,578
Net income from financial activities	1,825	5,632	2,178	1,522	345	9,673	21,176
Total operating costs	(824)	(867)	(1,365)	(722)	(741)	(8,455)	(12,974)
Profit before income taxes	1,002	4,765	813	800	(397)	1,218	8,202

A.1 Distribution by geographical area of activity: income statement data in 2024

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/ Head office	Overall amount
Net interest income	1,288	1,778	1,843	805	963	9,950	16,626
<i>Net commissions</i>	288	814	232	50	184	682	2,250
Dividends and other trading and hedging gains						(81)	(81)
Net interest and other banking income	1,576	2,592	2,075	855	1,146	10,551	18,795
Write-backs/Adjustments to fin. assets	2,919	(879)	1,307	1,305	(909)	(1,473)	2,269
Net income from financial activities	4,494	1,713	3,382	2,160	237	9,078	21,065
Total operating costs	(1,024)	(964)	(1,523)	(736)	(761)	(8,338)	(13,346)

²⁹ An entity must provide separate information regarding an operating segment that meets any of the following quantitative thresholds:

- a) revenues subject to disclosure, including both sales to third-party customers and sales or transfers between segments, account for at least 10% of total revenues, internal and external, of all operating segments;
- b) the amount of the related profit or loss in absolute value is at least 10% of the higher, in absolute value, of the following amounts: i) the total profit relating to all operating segments in profit and ii) the overall loss relating to all loss-making segments;
- c) its assets represent at least 10% of the total assets of all operating segments.

Profit before income taxes	3,471	749	1,859	1,424	(525)	740	7,719
-----------------------------------	--------------	------------	--------------	--------------	--------------	------------	--------------

A.2 Distribution by geographical area of activity: statement of financial position data at Dec. 2025

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/Head office	Overall amount
Lending operations	162,426	170,297	194,023	194,023	117,137	432,422	1,182,371
Borrowing operations						1,328,571	1,328,571

A.2 Distribution by geographical area of activity: statement of financial position data at Dec. 2024

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/Head office	Overall amount
Lending operations	177,234	171,142	217,923	122,041	118,166	396,941	1,203,447
Borrowing operations						1,341,000	1,341,000

PART M – DISCLOSURE ON LEASES

SECTION 1 – LESSEE

QUALITATIVE DISCLOSURE

The Bank continuously checks for the presence of contracts potentially falling within the scope of IFRS 16; this activity made it possible to identify as the contracts subject to the new standard the long-term car rental and real estate lease contracts.

It should be noted that the Bank has taken advantage of the option, provided by paragraph 6 of IFRS 16, not to apply the provisions of paragraphs 22-49, continuing to recognise payments due for the leases as a cost based on the accrual principle, similarly to what has been done in the past for contracts with an amount of less than €5 thousand or with a duration of less than 12 months. The case in question was not present as at 31 December 2025 nor it was during the year.

QUANTITATIVE DISCLOSURE

With regard to the additional disclosures required by IFRS 16 paragraph 59, refer to:

- Part B, Assets, Section 8 – Property, plant and equipment, for disclosures on rights of use acquired under leases;
- Part B, Liabilities, Section 1 – Financial liabilities measured at amortised cost, for disclosures on lease payables;
- Part C, Income Statement, Section 1 – Interest, for disclosures on interest expense on lease payables.

The following table shows the depreciation charges for assets consisting of the right of use broken down by class of underlying asset.

Assets/Income items	Depreciation	Impairment adjustments	Write-backs	Net result
	(a)	(b)	(c)	(a + b - c)
A. Rights of use acquired under leases	(72)			(72)
Buildings	(44)			(44)
Vehicles	(28)			(28)
Total	(72)			(72)

Long-term rental contracts in which the Bank acts as lessee do not contain clauses that could give rise to potential cash flows that are not included in the measurement of the lease liability, such as:

- i) variable payments related to the lease contract;
- ii) extension options and termination options;
- iii) guarantees on residual value; and
- iv) leases not yet signed to which the lessee committed itself.

With regard to real estate leases, however, note that:

- i) the Bank is potentially exposed to payments related to the lease contract (referring in particular to the ISTAT revaluation), which are not included in the measurement of the lease liability;
- ii) a contract – relating to the rental of parking spaces for the Bolzano Head Office, also leased – contains an automatic renewal clause for a further six years; the Bank considers the potential financial flows deriving from this clause to be null and void in that the search for a new building to be used as the head office of Bolzano is underway;
- iii) the Bank has not provided guarantees on the residual value of the leased asset, and
- iv) has no commitments to enter into lease contracts not included in the value of the lease liability recognised in the financial statements.

Finally, note that no gains/losses deriving from sale and leaseback transactions, as well as income deriving from sub-leasing transactions, were recognised.

SECTION 2 – LESSOR

QUALITATIVE DISCLOSURE

Mediocredito offers finance lease contracts for companies that intend to use real estate that is in furtherance of their economic activity, without the immediate purchase of property (shops, warehouses, industrial plants and sheds, offices, hotels, etc.).

In recent years, the Bank added to this activity public lease operations (public-private partnerships) and, since 2019, capital goods leases. As lessor, the risk related to the rights that the Bank retains on the underlying assets is only managed in special cases by entering into buy-back agreements; the estimate of the residual unsecured values used in the calculation of the gross investment in the lease is reviewed periodically for contracts classified as impaired and for lease contracts of significant amount.

QUANTITATIVE DISCLOSURE

1. Disclosures on statement of financial position and income statement

Refer to:

- Part B, Assets, Section 4 – Financial assets measured at amortised cost, for disclosures on lease financing;
- Part C, Income Statement, Section 1 – Interest, for disclosures on interest income on lease financing.

2. Finance lease

2.1 Classification by time bands of payments to be received and reconciliation with lease financing recorded under assets

Time bands	2025 Lease payments to be received	2024 Lease payments to be received
Past due lease payments	201	209
Up to 1 year	43,822	38,701
From 1 to 2 years	39,950	37,116
From 2 to 3 years	34,252	32,861
From 3 to 4 years	25,834	27,090
From 4 to 5 years	18,303	19,047
Over 5 years	53,395	65,102
Total lease payments to be received	215,758	220,126
RECONCILIATION WITH FINANCING	27,032	36,254
Financial income not accrued (-) ¹	27,032	36,254
Residual unsecured value (-) ²	-	-
Lease financing	188,726	183,873

	Gross	Adjust.	Net	Gross	Adjust.	Net
Receivables in the financial statements	188,726	3,308	185,417	183,873	4,355	179,518

- 1 In order to allow for the reconciliation between payments to be received and gross loans shown in the financial statements, "Financial income not accrued", equal to the portion of interest implicit in future lease payments net of accruals as at 31 December of each year, is shown at the value calculated using the amortised cost method.
- 2 The Bank has not recorded any impairment losses relating to the residual unsecured value of finance leased assets.

ANNEXES

Annexe 1 – Country by Country Reporting in accordance with Article 89 of Directive 2013/36/EU ("CRD IV")

Annexe 2 – Financial statements of the subsidiary company Paradisidue S.r.l.

Annexe 3 – Glossary of ratios

ANNEXE 1 COUNTRY BY COUNTRY REPORTING

(in accordance with Article 89 of Directive 2013/36/EU ("CRD IV"))

Reference date for information	31 December 2025
Country of establishment	Italy
Companies established	Mediocredito Trentino-Alto Adige S.p.A.
Nature of activity	Financial services to businesses Trading and sales Commercial banking services Retail banking services
Turnover (net interest and other banking income)	€20,492,644
Number of employees (full-time equivalent)	81.8
Profit before taxes	€8,201,819
Taxes on profit	€(2,025,412)
Public contributions received	€10,000

ANNEXE 2 FINANCIAL STATEMENTS OF THE SUBSIDIARY COMPANY PARADISIDUE S.R.L.

(prepared in abridged form under Article 2435 bis of the Italian Civil Code)



Single-member private limited liability company

Registered office at Via dei Paradisi, 1 – Trento

Fully paid-up capital €10,000.00

Registered with the Trento Register of Companies under no. 01856850225

Member company of "Gruppo Bancario Mediocredito Trentino – Alto Adige"

Under the first paragraph of Article 2497-bis, par. 1 of the Italian Civil Code, the Company is subject to the management and coordination of Mediocredito Trentino-Alto Adige S.p.A. with registered office in Trento – Via dei Paradisi, 1 – Tax code and Trento Register of Companies no. 00108470220 – Bank register no. 4764

- ASSETS

- EQUITY AND LIABILITIES

- GUARANTEES AND COMMITMENTS

- INCOME STATEMENT

A N N E X E 2
F I N A N C I A L S T A T E M E N T S O F T H E
S U B S I D I A R Y C O M P A N Y P A R A D I S I D U E
S . R . L .

STATEMENT OF FINANCIAL POSITION

(in €)

ASSETS	31/12/2025	31/12/2024
B. FIXED ASSETS		
I. Intangible assets	-	-
II. Property, plant and equipment	1,902,164	2,000,372
III. Financial assets	-	-
C. CURRENT ASSETS	5,650,659	6,027,899
I. Stocks	5,329,344	5,754,079
II. Receivables payable within one year	310,055	266,304
III. Financial assets - current assets	-	-
IV. Cash and cash equivalents	11,260	7,516
D. PREPAID EXPENSES AND ACCRUED INCOME	14,227	11,639
TOTAL ASSETS	7,567,050	8,039,910

EQUITY AND LIABILITIES	31/12/2025	31/12/2024
A. EQUITY	420,297	489,088
I. Share Capital	10,000	10,000
II. Additional paid-in capital	-	-
III. Valuation reserve	-	-
IV. Legal reserve	2,000	2,000
V. Reserve for treasury shares	-	-
VI. Statutory reserves	-	-
VII. Other reserves	477,088	542,589
VIII. Losses carried forward	-	-
IX. Profit (Loss) for the year	(68,791)	(65,501)
B. PROVISIONS FOR RISKS AND CHARGES	-	-
C. PROVISION FOR SEVERANCE INDEMNITIES	-	-
D. PAYABLES	7,146,753	7,550,822
Payables due within one year	6,989,032	7,409,306
Payables due after one year	157,721	141,516
E. ACCRUED LIABILITIES AND DEFERRED INCOME	-	-
TOTAL EQUITY AND LIABILITIES	7,567,050	8,039,910

GUARANTEES AND COMMITMENTS

(in €)

GUARANTEES AND COMMITMENTS	31/12/2025	31/12/2024
Personal guarantees issued/received	-	-
TOTAL GUARANTEES AND COMMITMENTS	-	-

INCOME STATEMENT

(in €)

INCOME STATEMENT		31/12/2025	31/12/2024
A. PRODUCTION VALUE		780,801	1,239,400
1) Revenues from sales and services		539,267	607,893
2) Change in inventory of work in progress, semi-finished and finished goods		-	392,741
3) Change in contract work in progress		-	-
4) Increases in own work capitalised		-	-
5) Other revenues and income		241,533	238,766
B. PRODUCTION COSTS		814,612	1,265,197
6) Raw materials, subsidiary materials, consumables and goods		24,382	806,933
7) Services		144,460	143,796
8) Use of third parties' assets		-	-
9) Payroll		-	-
10) Amortisation, depreciation and write-downs		179,718	279,249
<i>a) amortisation of intangible assets</i>		-	-
<i>b) depreciation of property, plant and equipment</i>		175,579	173,623
<i>d) write-down of receivables included under current assets and cash and cash equivalents</i>		4,138	105,626
11) Change in inventory of raw materials, subsidiary materials, consumables and goods		-	-
12) Provision for risks		-	-
13) Other provisions		-	-
14) Other operating charges		41,317	35,219
<i>DIFFERENCE BETWEEN PRODUCTION VALUE AND PRODUCTION COSTS</i>		<i>(33,811)</i>	<i>(25,797)</i>
C. FINANCIAL INCOME AND CHARGES		(34,470)	(36,307)
15) Income from equity investments			
16) Other financial income		0	66
17) Interest and other financial charges		(34,470)	(36,373)
D. VALUE ADJUSTMENTS TO FINANCIAL ASSETS			
18) Revaluations			
19) Write-downs			
E. EXTRAORDINARY INCOME AND CHARGES			
20) Extraordinary income			
21) Extraordinary charges			
<i>RESULT BEFORE TAXES</i>		<i>(68,281)</i>	<i>(62,104)</i>
INCOME TAXES		(510)	(3,397)
PROFIT (LOSS) FOR THE YEAR		(68,791)	(65,501)

ANNEXE 3 GLOSSARY OF RATIOS

COST TO INCOME RATIO

$$\frac{\text{operating costs}}{\text{net interest and other banking income}}$$

The amount of operating costs that are used in the calculation of the ratio shown in the Report on Operations and precisely in the section "Income statement dynamics" (€12.973m) corresponds to the amount shown in item 210. of the income statement (€13.438m), from which net losses on the disposal of investments of €8 thousand have been deducted (see item 250. of the income statement), and the stamp duty on deposits not recovered from the customers for €108 thousand, increased by the interest expense on the payable to lessees of €4 thousand, value adjustments on provisions for legal risks relating to disputes on loans of €371 thousand and negative net provisions for risks and charges for commitments and guarantees issued of €3 thousand.

Net interest and other banking income is calculated in the amount of €18.597m, equal to the amount shown in the financial statements (€20.493m) net of the gains on disposal of loans (decrease of €1.704m), the time reversal write-backs on the NPLs (reduction of €0.079m), the write-down of interest on the NPLs (increase of €0.143 thousand), the net result of financial assets and liabilities mandatorily measured at fair value (reduction of €0.151m, item 110.b), interest expense on the payable to lessees for an increase of €4 thousand and stamp duty on deposits not recovered from customers, down by €0.108m.

TOTAL CAPITAL RATIO

$$\frac{\text{own funds}}{\text{risk-weighted assets}}$$

The amounts used in the calculation of the ratio are shown in the Report on Operations under section "Equity and the state of affairs of the Company" (€219.841m and €806.519m, respectively)

GROSS DOUBTFUL LOANS TO GROSS LOANS TO CUSTOMERS

$$\frac{\text{gross doubtful loans}}{\text{gross loans}}$$

The amounts used in the calculation of the ratio are shown in the Report on Operations in the chapter on Lending operations under section "Impaired loans" and come to €5.167m and €1,014.542m, respectively.

NET DOUBTFUL LOANS TO NET LOANS TO CUSTOMERS

$$\frac{\text{net doubtful loans}}{\text{net loans}}$$

The amounts used in the calculation of the ratio are shown in the Report on Operations in the chapter on Lending operations under section "Impaired loans" and come to €1.863m and €992.430m, respectively.

GROSS DOUBTFUL LOANS TO OWN FUNDS

$$\frac{\text{gross doubtful loans}}{\text{own funds}}$$

The amount of gross doubtful loans used in the calculation of the ratio is shown in the Report on Operations in the chapter on Lending operations under section "Impaired loans" and comes to €5.167m. The amount relating to Own Funds used in the calculation of the ratio is shown in the Report on Operations under section "Equity and the state of affairs of the Company" and comes to €219.841m.

NET DOUBTFUL LOANS TO OWN FUNDS

$$\frac{\text{net doubtful loans}}{\text{own funds}}$$

The amount of net doubtful loans used in the calculation of the ratio is shown in the Report on Operations in the chapter on Lending operations under section "Impaired loans" and comes to €1.863m. The amount relating to Own Funds used in the calculation of the ratio is shown in the Report on Operations under section "Equity and the state of affairs of the Company" and comes to €219.841m.

GROSS IMPAIRED LOANS TO GROSS LOANS TO CUSTOMERS

$$\frac{\text{gross impaired loans}}{\text{gross loans}}$$

The amounts used in the calculation of the ratio are shown in the Report on Operations in the chapter on Lending operations under section "Impaired loans" and come to €17.307m and €1,014.542m, respectively.

NET IMPAIRED LOANS TO NET LOANS TO CUSTOMERS

$$\frac{\text{net impaired loans}}{\text{net loans}}$$

The amounts used in the calculation of the ratio are shown in the Report on Operations in the chapter on Lending operations under section "Impaired loans" and come to €8.630m and €992.430m, respectively.

GROSS IMPAIRED LOANS TO OWN FUNDS

$$\frac{\text{gross impaired loans}}{\text{own funds}}$$

The amount of gross impaired loans used in the calculation of the ratio is shown in the Report on Operations in the chapter on Lending operations under section "Impaired loans" and comes to €17.307m. The amount relating to Own Funds used in the calculation of the ratio is shown in the Report on Operations under section "Equity and the state of affairs of the Company" and comes to €219.841m.

NET IMPAIRED LOANS TO OWN FUNDS

$$\frac{\text{net impaired loans}}{\text{own funds}}$$

The amount of net impaired loans used in the calculation of the ratio is shown in the Report on Operations in the chapter on Lending operations under section "Impaired loans" and comes to €8.630m. The amount relating to Own Funds used in the calculation of the ratio is shown in the Report on Operations under section "Equity and the state of affairs of the Company" and comes to €219.841m.

TEXAS RATIO

$$\frac{\text{gross impaired loans + buildings}}{\text{own funds + allowance for doubtful accounts (impaired loans)}}$$

(€1.950m) and 1.b (€7.452m) and table 8.2, item 1.a (€0.116m).

The amount relating to Own Funds used in the calculation of the ratio is shown in the Report on Operations under section "Equity and the state of affairs of the Company" and comes to €219.841m.

The amount of allowance for doubtful accounts (impaired loans) used in the calculation of the ratio is shown in the Report on Operations in the chapter on Lending operations under section "Impaired loans" and comes to €8.677m.

The amount of gross impaired loans used in the calculation of the ratio is shown in the Report on Operations in the chapter on Lending operations under section "Impaired loans" and comes to €17.307m. The amount relating to buildings is shown in the Notes to the Financial Statements, Part B, table 8.1, items 1.a

PAYROLL TO NET INTEREST AND OTHER BANKING INCOME

$$\frac{\text{payroll}}{\text{net interest and other banking income}}$$

The amount of payroll (€8.448m) used for the calculation of the ratio shown in the Report on Operations in section "Income statement dynamics" correspond to the amount shown in the income statement in item 160.a (€8.448m).

Net interest and other banking income is calculated in the amount of €18.597m, equal to the amount shown in the financial statements (€20.493m) net of the gains on disposal of loans (decrease of €1.704m), the time reversal write-backs on the NPLs (reduction of €0.079m), the write-down of interest on the NPLs (increase of €0.143 thousand), the net result of financial assets and liabilities mandatorily measured at fair value (reduction of €0.151m, item 110.b), interest expense on the payable to lessees for an increase of €4 thousand and stamp duty on deposits not recovered from customers, down by €0.108m.

AVERAGE COST PER EMPLOYEE

$$\frac{\text{payroll}}{\text{average number of employees}}$$

The amount of payroll used for the calculation of the ratio shown in the Report on Operations in section "Income statement dynamics" amounted to €7.859m and is found in table 10.1 of Part "C – Information on the Income Statement" in item 1) of the Notes to the Financial Statements.

The average number of employees (81.8) is shown in the Notes to the Financial Statements, Part "C – Information on the Income statement", in the additional table at the end of table 10.2, and it is the average number of employees, calculated by taking into account part-time employees in proportion to the actual hours specified in their individual contracts.

NET INTEREST AND OTHER BANKING INCOME TO AVERAGE NUMBER OF EMPLOYEES

Net interest and other banking income is calculated in the amount of €18.597m, equal to the amount shown in the financial statements (€20.493m) net of the gains on disposal of loans (decrease of €1.704m), the time reversal write-backs on the NPLs (reduction of €0.079m), the write-down of interest on the NPLs (increase of €0.143 thousand), the net result of financial assets and liabilities mandatorily measured at fair value (reduction of €0.151m, item 110.b), interest expense on the payable to lessees for an increase of €4 thousand and stamp duty on deposits not recovered from customers, down by €0.108m.

The average number of employees (81.8) is shown in the Notes to the Financial Statements, Part "C – Information on the Income statement", in the additional table at the end of table 10.2, and it is the average number of employees, calculated by taking into account part-time employees in proportion to the actual hours specified in their individual contracts.

TOTAL ASSETS TO AVERAGE NUMBER OF EMPLOYEES

$$\frac{\text{total assets}}{\text{average number of employees}}$$

The amount of total assets that was used for the calculation of the ratio shown in the Report on Operations in section "Income statement dynamics" comes to €1,585.565m, as shown in the financial statements of the Company. The average number of employees (81.8) is shown in the

Notes to the Financial Statements, Part "C – Information on the Income statement", in the additional table at the end of table 10.2, and it is the average number of employees, calculated by taking into account part-time employees in proportion to the actual hours specified in their individual contracts.

ROE – RETURN ON EQUITY

$$\frac{\text{net income for the year}}{\text{equity (excluding net income for the year)}}$$

(excluding net income for the year) amounts to €223.876m and is the sum of the 110 items. "Valuation reserves", 140. "Reserves", 150. "Additional paid-in capital" and 160. "Share capital" of Statement of Financial Position liabilities.

The amount of net income for the year used for the calculation of the ratio shown in the Report on Operations in section "Income statement dynamics" comes to €6.176m, as shown in item 300. of the Income Statement. Equity

RESOLUTION OF THE SHAREHOLDERS' MEETING

With the presence of 111,458,400 shares of 112,470,400 shares that make up the Company's share capital, the ordinary Shareholders' Meeting of 29 April 2026 unanimously

approved

- the report on operations presented by the Board of Directors for the year ended as at 31 December 2025;
- the financial statements for the year ended as at 31 December 2025 (statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the financial statements);
- the allocation of net income.