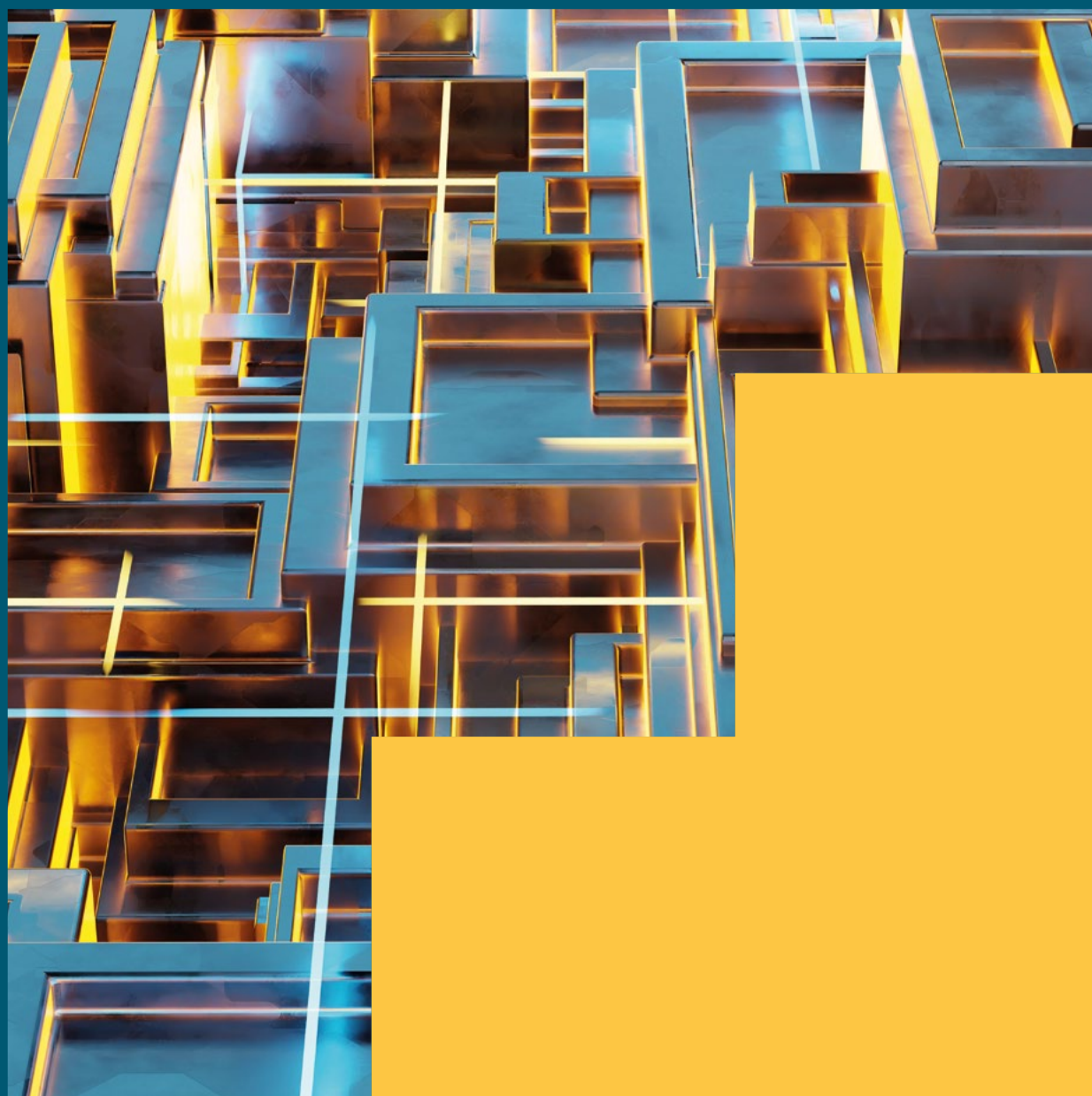


# IDENTITY THAT CREATES VALUE

Consolidated half-yearly financial report  
**as at 30 June 2025**





# Identity

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

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

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

Cassa Centrale Banca Credito Cooperativo Italiano  
Cooperative Banking Group

# Consolidated half-yearly financial report

as at 30 June 2025

This Consolidated Half-Yearly Financial Report (hereinafter also "Half-Yearly Report") consists of the Interim Report on Operations (hereinafter also "Report on Consolidated Operations") and the condensed consolidated half-yearly financial statements (hereinafter also "consolidated financial statements").

The "Explanatory Notes" to the Half-Yearly Report have been prepared with reference to the explanatory notes structure envisaged by Bank of Italy Circular no. 262 of 22 December 2005, and subsequent amendments, for consolidated financial statements, albeit with limited information, as they are half-yearly financial statements drafted in a condensed format.

For ease of reading, the numbering provided for in the aforementioned Circular has been maintained, although some parts, sections or tables may be omitted for the reasons explained above.

The condensed consolidated half-yearly financial statements provide, in addition to the accounting data at 30 June 2025, comparative information relating to the corresponding period of the previous year, with the exception of the balance sheet, which is compared with the latest financial statements approved at 31 December 2024.

The financial statements item "Profit (Loss) for the year (+/-)" refers to the consolidated half-yearly result for the period.

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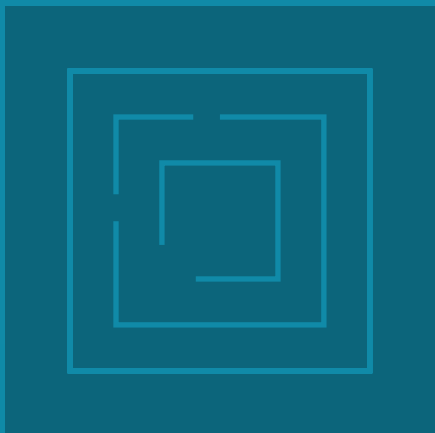
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01

# Composition of the corporate bodies and officers

# Cassa Centrale Banca

## list of shareholders

### Ordinary shareholders

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



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

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

## Preference shareholders

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

# Corporate officers and Independent Auditors

## Board of Directors

<b>Giorgio Fracalossi</b>	CHAIRPERSON
<b>Sandro Bolognesi</b>	CHIEF EXECUTIVE OFFICER
<b>Carlo Antiga</b>	ACTING DEPUTY CHAIRPERSON
<b>Enrica Cavalli</b>	DEPUTY CHAIRPERSON
<b>Roberta Berlinghieri</b>	INDEPENDENT DIRECTOR
<b>Ketty Camuffo</b>	NON-EXECUTIVE DIRECTOR
<b>Antonio Convertini</b>	NON-EXECUTIVE DIRECTOR
<b>Giuseppe Di Forti</b>	EXECUTIVE DIRECTOR AND AML OFFICER
<b>Paola Giannotti De Ponti</b>	INDEPENDENT DIRECTOR
<b>Enrico Macri</b>	INDEPENDENT DIRECTOR
<b>Stefano Marzioli</b>	NON-EXECUTIVE DIRECTOR
<b>Maria Rosa Molino</b>	INDEPENDENT DIRECTOR
<b>Giorgio Pasolini</b>	NON-EXECUTIVE DIRECTOR
<b>Livio Tomatis</b>	NON-EXECUTIVE DIRECTOR
<b>Roberto Tonca</b>	EXECUTIVE DIRECTOR

## Board of Statutory Auditors

<b>Maria Cristina Zoppo</b>	CHAIRPERSON
<b>Lara Castelli</b>	STANDING AUDITOR
<b>Alessandro Paolini</b>	STANDING AUDITOR
<b>Anna Maria Allievi</b>	ALTERNATE AUDITOR
<b>Maurizio Giuseppe Grosso</b>	ALTERNATE AUDITOR

## General Management

<b>Sandro Bolognesi</b>	GENERAL MANAGER
<b>Enrico Salvetta</b>	ACTING DEPUTY GENERAL MANAGER (until 30 June 2025)
<b>Alessandro Failoni</b>	ACTING DEPUTY GENERAL MANAGER (from 1 July 2025)
<b>Manuela Acler</b>	DEPUTY GENERAL MANAGER (from 1 July 2025)

## Independent Auditors

DELOITTE & TOUCHE S.p.A.
--------------------------

## Executive Committee

Sandro Bolognesi	CHAIRPERSON
Giuseppe Di Forti	MEMBER
Roberto Tonca	MEMBER

## Risks and Sustainability Committee

Paola Giannotti De Ponti	CHAIRPERSON
Roberta Berlinghieri	MEMBER
Stefano Marzioli	MEMBER
Maria Rosa Molino	MEMBER
Giorgio Pasolini	MEMBER

## Appointments Committee

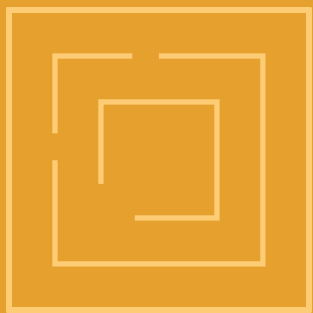
Enrico Macri	CHAIRPERSON
Maria Rosa Molino	MEMBER
Antonio Convertini	MEMBER

## Remuneration Committee

Roberta Berlinghieri	CHAIRPERSON
Enrico Macri	MEMBER
Livio Tomatis	MEMBER

## Independent Directors Committee

Maria Rosa Molino	CHAIRPERSON
Enrico Macri	MEMBER
Paola Giannotti De Ponti	MEMBER



02

# Interim Report on Consolidated Operations and Condensed Consolidated Half-Yearly Financial Statements of the Cassa Centrale Group

# Interim Report on Consolidated Operations of the Cassa Centrale Group

Profile, strategy and financial  
results



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

## 1.1 - The Cooperative Banking Group

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

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

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

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

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

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

## 1.2 - Organisation and structure of the Group

The reform of Cooperative Credit allowed to further strengthen the role of local banks typical of Cooperative Credit Banks. The Parent Company's coordination role made it possible to eliminate certain weaknesses in terms of capital or business model that arose well before the Group's operational start-up. The new organisational structure has undoubtedly contributed to the immediate and positive response that the Affiliated Banks have provided to the economic fabric of reference in the current and challenging macroeconomic context, which has been affected by the ongoing geopolitical challenges.

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

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

As at 30 June 2025, the Cassa Centrale Group consisted of:

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



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

## 1.3 - Corporate governance

The Cassa Centrale Group, in line with legal and supervisory regulations and in order to ensure an appropriate balance of powers and a precise distinction between the functions of strategic supervision, management and control, has adopted a “traditional” system of governance, based on the distinction between the Board of Directors, which has a guidance and strategic supervision function, and the Board of Statutory Auditors, which has a control function.

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

### Shareholders' Meeting

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

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

### The Board of Directors

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

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

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

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

## Chairperson of the Board of Directors

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

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

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

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

## Executive Committee

The Executive Committee, appointed by the Board of Director in the meeting of 05 June 2025, consisted of the Chief Executive Officer, who chairs it, and two Directors. Within the framework of the powers that the law and the Articles of Association do not reserve to the Board of Directors or to the Chief Executive Officer, the following matters are delegated to the Executive Committee:

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

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

## Chief Executive Officer

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

With the resolution of 5 June 2025, the Chief Executive Officer was also granted powers in the following areas: Human Resources and Operational and Strategic Planning, Internal Regulations, Governance of the Subsidiary Banks and of investee companies and/or subsidiaries other than the Affiliated Banks, powers to authorise real estate and equity investment transactions, judicial powers, and powers of representation.

Without prejudice to the competences assigned by the Articles of Association, in exceptionally urgent circumstances, after consulting the Chairperson of the Board of Directors, the Chief Executive Officer may, in accordance with the guidelines established by the Board of Directors, take decisions on any transaction within the competence of the Executive Committee, provided they are not assigned by the mandatory provisions of the law or by provisions of the Articles of Association to the authority of the Board of Directors and of the Executive Committee as a whole. Decisions taken in this way must be reported to the Board of Directors and to the Executive Committee at the next meeting.

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

The General Management of Cassa Centrale Banca consists of the General Manager, who is the Chief Executive Officer, assisted by a Senior Deputy General Manager. If the General Manager should be absent or otherwise prevented from attending, their duties are undertaken by the Senior Deputy General Manager and, if they should also be absent or otherwise prevented from attending, by the executive or officer designated by the Board of Directors.

At its meeting of 19-20 June 2025, the Board of Directors approved the new General Management structure, which, as of 1 July 2025, will include, in addition to the General Manager, an Acting Deputy General Manager and a Deputy General Manager.

In carrying out his duties, the General Manager can make use of a number of technical and operating committees set up to jointly study the most significant management aspects.

## Anti-Money Laundering Officer or AML Officer

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

## Board Committees

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

Specifically:

- the **Appointments Committee** conducts investigations and provides advice to the Board of Directors on appointment of the members and on the composition of the Board of Directors of the Parent Company and, where required, of the Affiliate Banks, when the responsibility rests with the Board. It carries out the other duties assigned to it by regulations in force and/or by the Board of Directors.
- the **Remuneration Committee** submits proposals and provides advice on the fees and on the remuneration and incentive systems to be adopted by the Parent Company and, where required, by the Affiliate Banks, and carries out the other duties assigned to it by regulations in force and by the Board of Directors.
- the **Risks and Sustainability Committee** is responsible for the tasks assigned to it by the regulations in force from time to time and by the Board of Directors, also with regard to the Affiliated Banks and, in particular, it performs support functions for the Parent Company's corporate bodies with regard to risks and the internal control system, paying particular attention to all activities that are instrumental and necessary for the Parent Company's Board of Directors to arrive at a correct and effective determination of the Risk Appetite Framework (RAF) and risk management policies. The Sustainability and Identity Committee was merged into the Risks Committee, giving the latter an investigative, propositional and advisory role with regard to evaluations and decisions on matters of sustainability and the cooperative identity.
- the **Independent Directors Committee** performs the tasks set forth in Circular 285 on the subject of decision-making procedures relating to related-party transactions, as well as on the subject of equity investments held by banks and banking groups.

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

For further information and a detailed description of the corporate governance system, please refer to the “Corporate Governance Project” available on the Cassa Centrale Banca website at [www.cassacentrale.it](http://www.cassacentrale.it), in the “Governance” section.

## Self-Assessment of the Governance Bodies

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

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

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

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

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

There are five steps in the assessment process:

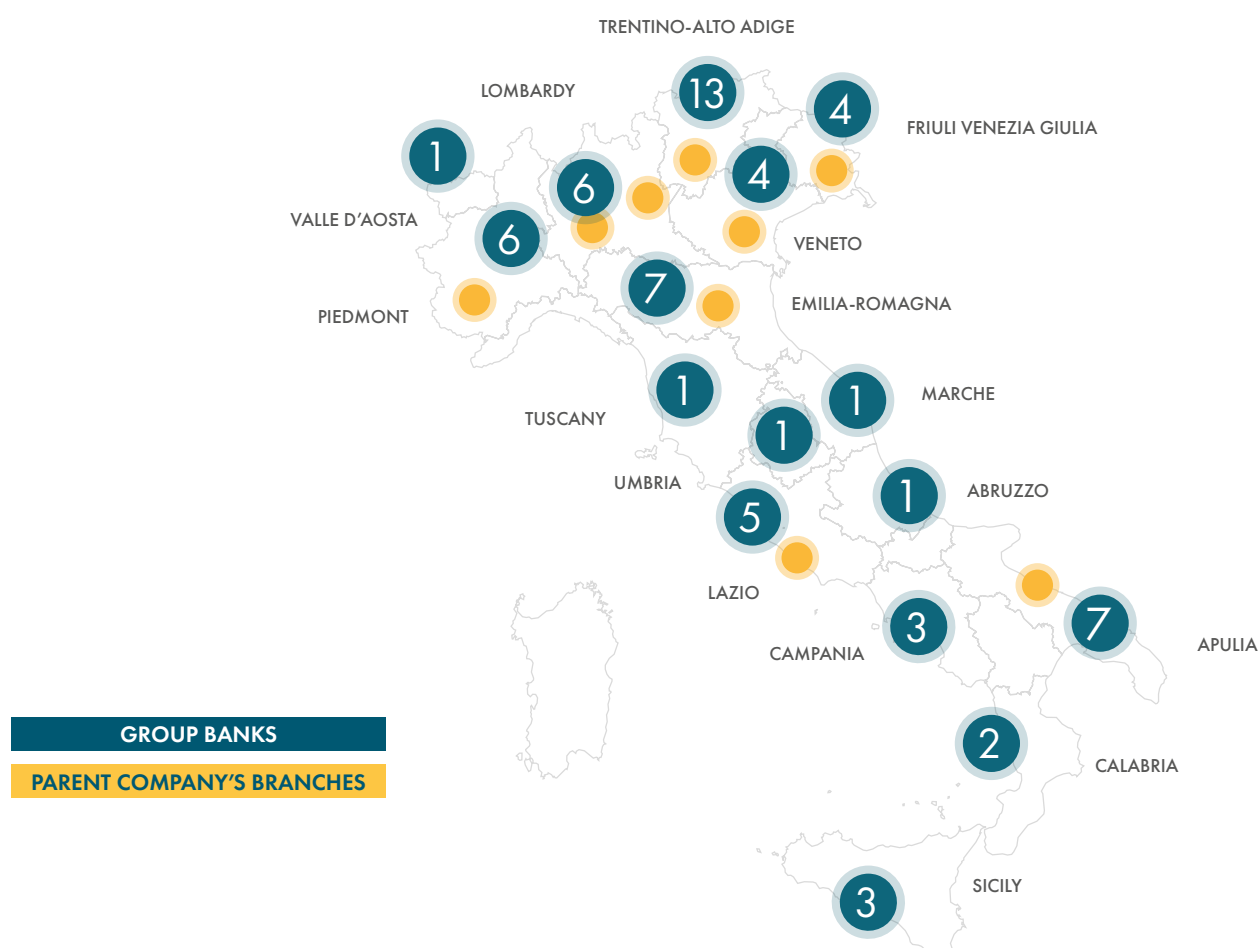
- preparatory activity;
- processing of data and information gathered;
- preparation of results;
- collegial review of results, followed by approval and corrective actions;
- auditing.

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

## 1.4 - Presence on the territory

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

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



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

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

As at 30 June 2025, the Group's geographical presence is characterised by 65 Affiliate Banks with 1,498 branches located across Italy and 15 regional offices of the Parent Company.

PRESENCE ON THE TERRITORY	30/06/2025					Total 30/06/2025	Total 31/12/2024	Change
	Trentino- Alto Adige	North East	North West	Central	South and the Islands			
OFFICES								
Parent Company	7	2	3	2	1	15	15	0
Affiliated Banks	13	8	13	16	15	65	65	0
BRANCHES*								
Parent Company	1	0	0	0	0	1	1	0
Affiliated Banks**	285	329	368	324	191	1,497	1,490	7

\* Data referring to branches with CAB code

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

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

As can be seen from the table below, the number of shareholders as at 30 June 2025 is of over 495 thousand, up by 7,736 compared to December 2024. Distribution over the territory sees the largest share in Trentino-Alto Adige, with approximately 27% of the total, followed by the North-West with 25%, the Centre with 21%, the North-East with 20% and finally the South and Islands with approximately 7% of shareholders.

AREA	30/06/2025					Total 30/06/2025	Total 31/12/2024	Change
	Trentino- Alto Adige	North East	North West	Central	South and the Islands			
No. of Shareholders	136,453	99,005	122,736	104,805	32,787	495,786	488,050	7,736
% of total	27.52%	19.97%	24.76%	21.14%	6.61%	100.00%		

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

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

For further details, please refer to the Sustainability Report as at 31 December 2024, drawn up in accordance with Legislative Decree no. 125/24 and published in a dedicated section within the Report on Operations at the same date.



# 2. Economic background

## 2.1 - International scenario and Italian context

The first half of 2025 was characterised by a significant increase in uncertainty both in terms of international trade and geopolitics. Following the announcement on 2 April 2025 by the US President of a series of tariffs on the import of goods into the United States, a series of suspensions and rescheduling followed, fuelling volatility and leading analysts to revise the global growth outlook downwards.

The International Monetary Fund (IMF) estimates, updated in April 2025, underwent significant revision. Global GDP growth in 2024 was 3.3% and is expected to decline to 2.8% in 2025 from the previous estimate of 3.3% at the beginning of the year, while growth of 3.0% is expected in 2026, 0.3% lower than the previous estimate.

In the US, estimated growth in real GDP for 2024 was confirmed at 2.8%. Also according to IMF forecasts, growth will drop sharply to 1.8% in 2025 due to deteriorating trade relations and the depreciation of the US dollar.

The European Commission updated its growth estimates in mid-May 2025, assuming in its models that the tariffs announced by the US administration towards Europe, and then suspended, would not be reintroduced.

In the Eurozone, the Commission expects real GDP growth of 0.9 % for 2025, in line with last year's figure, while it expects it to rise to +1.4 % in 2026. More cautious, however, are the projections of the European Central Bank updated at the beginning of June, which also see +0.9% in 2025, but lower growth for the years thereafter: +1.1% in 2026 and +1.3% in 2027.

According to European Commission estimates, the unemployment rate in the Eurozone labour market would fall to 6.4% in 2024. The previous estimate of 6.3% for 2025 was confirmed, while in 2026 the expected unemployment rate will be 6.1%.

Inflation in the euro area is expected to fall from 2.4 % in 2024 to an average of 2.1 % in 2025, to 1.7 % in 2026. Also on the inflation front, the ECB's June forecasts reflect lower expected values: an inflation rate of 2% in 2025, 1.6% in 2026 and a return to 2% in 2027 is expected. The disinflation process is expected to continue in the second half of 2025, as deflationary pressures related to trade tensions and energy price dynamics persist. Core inflation also continued to fall, towards values converging with the European Central Bank's targets. In the medium term, however, an element with potential positive impacts on inflation will be the spending plan announced by the German government in March, which will involve an increase in infrastructure and military spending and a parallel increase in public debt issues.

Turning to Italy, according to data published by ISTAT, Italy's GDP grew by 0.3% in March compared to the previous quarter and by 0.7% compared to the first quarter of 2024. Among the components that made a positive contribution to growth were household consumption and investments, while the change in stocks was negative.

According to ISTAT's Annual Report 2025, Italy's GDP grew by 0.7% year-on-year in 2024. The forecast for 2025 is for a slowdown in growth compared to 2024, as a consequence of changing global trade policies.

The provisional data provided by ISTAT for May 2025 sees employment in Italy almost stable on a monthly basis with an employment rate of 62.9%. The unemployment rate, after an initial decline, returned to 6.5%, in line with the 2024 level, and the economic inactivity rate dropped to 32.6%.

The downward trend in consumer prices continued, falling to +1.7% year-on-year in June 2025. The deceleration of Italian inflation is mainly due to sharp declines in the prices of energy goods and secondarily to declines in the prices of services. The dynamics of food prices remained stronger and the decline in prices of durable goods softened.

## 2.2 - Financial and currency markets

After a three-year period characterised by substantial uniformity of direction in the monetary policies adopted by the world's major banks, with a restrictive phase that began in 2022 and ended in the first half of 2024, the first half of 2025 witnessed greater heterogeneity, reflecting the different conditions in the major global economies.

The European Central Bank in its first four meetings of the year (30 January, 6 March, 17 April and 5 June) continued the easing cycle started the year before by reducing the three benchmark rates by 25 basis points on each occasion. At the end of the half-year, in line with the tightening of the interest rate gap that came into effect in September 2024, the overnight deposit rate was set at 2.00%, the main refinancing rate at 2.15% and the marginal lending rate at 2.40%.

The Eurotower interventions, based on a data-driven approach, were motivated by the positive feedback from the disinflation process, with medium-term inflation expectations sticking close to the 2% target.

Regarding its own budget policy, in the first half of 2025, the European Central Bank confirmed quantitative tightening, continuing with a gradual reduction at a measured and predictable pace of the asset purchase programme (APP) as well as the pandemic emergency purchase programme (PEPP), since for both portfolios the principal of maturing securities is no longer reinvested.

The Federal Reserve did not follow the same cycle of monetary policy easing as the Eurosystem. In the first half of 2025, the Fed kept interest rates on Federal Funds in a range between 4.25% and 4.50%.

Despite the US institution's monetary tightening, the trade policy implemented by the US presidency was the main determining factor in the depreciation of the US dollar in the first half of the year in the Forex market. The EUR/USD cross moved from around 1.03 at the end of 2024 to break through to around 1.17 at the end of the six-month period.

In the first half of 2025, the government bond market showed marked volatility, reflecting the unstable macroeconomic and geopolitical environment. There was a fluctuating trend in government bond yields, with yields on 5 and 10-year BTPs standing at 2.75% and 3.55% at the end of February.

Starting in March, the announcement of the ReArm Europe plan and the fiscal measures announced by Germany triggered a generalised rise in rates on the main European curves. Therefore, BTP yields rose to around 3.05% (5 year) and 4.00% (10 year). The bullish dynamics of yields reversed abruptly after the US announcement of trade tariffs: strong sales on global equity markets and an investor outflow from the Treasury market encouraged a temporary "flight to quality" in European debt. Against this backdrop, investor expectations for a slowdown in economic activity and a decline in inflation have grown, resulting in a greater decision by the central banks to cut rates. These expectations supported the rally in European government bond prices. BTP yields fell once more to around 2.65% (5 year) and 3.50% (10 year) in late June.

The 10-year BTP-Bund spread, stable at around 110 basis points until April, rose to the 120-point area in reaction to the announcement of tariffs, and then gradually declined to below 90 basis points at the end of June, supported by positive ratings from the major agencies.

On the equity front, risk appetite supported the stock markets in the initial months of 2025. The violent correction triggered by the announcement of US tariffs turned out to be a temporary phenomenon. The main European indices quickly regained lost ground, with the German and Italian prices also rising above their end-March levels. Similar dynamics were seen for the main US index, on which, however, the decline had been more pronounced and had already started in February.

## 2.3 - Italian banking system

According to ABI data, direct funding from banks in Italy in the first six months of 2025 was almost stable (although it increased by +1.0% year-on-year). The average rate of bank funding continued on the downward path set during 2024, falling below 1.00% as of April.

In terms of loans, the first half of 2025 saw a moderate recovery in the volume of loans to households and non-financial companies, recording an increase of +1.1% compared to the end of 2024. The weighted average rate for total loans to households and non-financial companies declined further compared to December 2024, with the rate on new loans to households for the purchases of homes falling by just under 40 basis points over the previous twelve months, while the rate on new transactions with non-financial companies fell more sharply (-170 basis points compared to June 2024).

With reference to credit quality, in the first half of 2025 the volume of net impaired loans remained almost stable compared to the stock at the end of 2024.

# 3. Significant events during the period

The main events that occurred during the first half of 2025 are shown below.

## 3.1 - 2025-2027 Strategic Plan

On 26 March 2025, the Board of Directors of Cassa Centrale Banca approved the Strategic Plan with a 2025-2027 time period, which updates the 2024-2027 Strategic Plan approved last year.

The update was issued in line with a “rolling” logic adopted in the Group’s strategic planning process, which establishes annual review of the Plan. This approach has been adopted taking into account that the Group has been operating since 2019 and is moving in a continuously and rapidly evolving market and regulatory environment.

The outline of initiatives of the previous Strategic Plan was confirmed, updating the commitment in terms of ICT and Security investments to over EUR 200 million in the three-year period 2025-2027.

The Digital Transformation Strategic Plan 2025-2027 identified initiatives designed to support the Group’s business development. The objective is to strengthen technological innovation to further enhance the relationship with the customer, while prioritising the personalised consultancy and proximity to the territory, distinctive features of the 65 Affiliated Banks of the Cassa Centrale Group.

The economic-financial projections confirm the Group’s solid capital and liquidity position, identify an increase in performing loans to customers consistent with the expected macroeconomic scenario, and project an increase in direct and indirect funding volumes, functional to continue the process of revenue diversification undertaken in recent years. The evolution of profitability allows the acceleration of investments in ICT and Security and the maintenance of the trajectory of continuous capital strengthening.

## 3.2 – Renewal of corporate bodies and officers

At the Shareholders’ Meeting of Cassa Centrale held on 5 June 2025, the Board of Directors and the Board of Statutory Auditors were renewed. The new Board of Directors consists of fifteen members, with Giorgio Fracalossi as Chairperson and Carlo Antiga as Deputy Chairperson. Directors also include Sandro Bolognesi and Enrica Cavalli, later appointed by the Board as Chief Executive Officer and Deputy Chairperson, respectively, Antonio Convertini, Giuseppe Di Forti, Stefano Marzioli, Giorgio Pasolini, Livio Tomatis, Roberto Tonca, as well as Independent Directors Roberta Berlinghieri, Paola Giannotti De Ponti, Enrico Macrì and Maria Rosa Molino, and Ketty Luigina Camuffo representing the shareholder DZ Bank. With regard to the Board of Statutory Auditors, Maria Cristina Zoppo was elected Chairperson, Lara Castelli and Alessandro Paolini standing auditors, while Anna Maria Allievi and Maurizio Giuseppe Grosso were appointed as alternate auditors. The renewal of the corporate bodies confirms the Company’s commitment to ensuring sound corporate governance oriented towards protecting the interests of shareholders and stakeholders.

In June, the Board of Directors resolved to appoint two new Deputy General Managers, reporting directly to the Chief Executive Officer and General Manager, with effect from 1 July 2025: Alessandro Failoni will assume the role of Acting Deputy General Manager and Manuela Acler will be Deputy General Manager.

### 3.3 - Impaired asset management and Group NPE strategy

In 2025, the Cassa Centrale Group, through the dedicated structures within the Parent Company and the Affiliated Banks, continued its careful monitoring of the quality of the loan portfolio and the management and reduction of impaired assets.

In this context, the Parent Company prepared the update of the NPE Strategy and of the related Group Operating Plan, with a time horizon of 2025-2027 and, in compliance with the requirements of the SREP Letter, PART I – Requirements, Recommendations And Findings, paragraph 1.1.2.1. Requirements related to NPLs, the Parent Company also prepared the update of the NPE Strategy 2025-2027 dedicated to the Small and Medium Enterprises (SME) and Commercial Real Estate (CRE) portfolios. The Group's NPE Strategy and related Operating Plan, together with the NPE Strategy for the SME and CRE portfolios, was submitted to the Parent Company's Board of Directors for approval on 13 March 2025 and, with exclusive reference to the SME and CRE NPE Strategy, was sent to the ECB within the required deadline.

The NPE strategy was developed by maintaining a prudent approach in the estimate of impairment as well as the default rate. In fact, instead of Prometeia's "baseline" scenario of the internal satellite model, used in the previous strategies, the "severe but plausible" scenario was adopted, which returned a default rate for the three-year period 2025-2027 that was considered more realistic, also in view of the current market context. According to this approach, the Group's NPE Strategy was updated for continuity, predicting the continuation in terms of reduction in the gross NPL ratio, which, at the end of the plan, is expected to fall to 3.1%. With regard to coverage levels, on the strength of the coverage levels that the Cassa Centrale Group had reached by the end of 2024 (80.9%), NPE Strategy forecasts a physiological decrease in the index, nevertheless retaining a provisional level for 2027 of 73.0%, which appears to be somewhat higher than the figures of the Italian and European banking system. The combined effect of the reduction in the gross NPL ratio and the retention of a high coverage level on impaired loans will enable the Group to maintain a net NPL ratio of 0.9% at the end of the plan, lower than the average for the main Italian banking groups.

The final figures as at 30 June 2025 showed results beyond expectations for the default rate (0.49%), which was lower than in the same period last year (0.62%), showing a lower trend than expected in the NPL strategy for the whole of 2025 (1.19%). As far as de-risking flows are concerned, the results are in line with expectations. It should also be noted that total performing Loans as at 30 June 2025 increased by approximately EUR 1 billion compared to the figure at the end of 2024, thus resulting in a stock of performing loans already approximately EUR 137 million higher than the annual target envisaged in the strategy at the end of 2025.

The combined effect of these dynamics on the entire loan portfolio led to the achievement as at 30 June 2025 of a gross NPL ratio of 3.4%<sup>1</sup> and a net NPL ratio of 0.7%, in line with the de-risking targets envisaged for the end of 2025 of 3.3% and 0.8% respectively.

The positive performance, as regards the net NPL ratio, is also determined by the maintenance of a conservative impaired exposures provision policy, in view of the continuation of macroeconomic uncertainty. This policy made it possible to maintain impaired exposure coverage of 79.6%, resulting in a coverage ratio that places the Cassa Centrale Group at the top of the European banking system.

During the first half of 2025, building on the experience gained in the previous year, another transaction was concluded involving the transfer of receivables, mainly classified as UTP, to the Keystone Alternative Investment Fund. The transaction was finalised in June 2025 through the transfer of a loan portfolio totalling approximately EUR 16 million. The value of the stakes allocated to the four Affiliated Banks involved in the transaction amounted to approximately EUR 10.1 million. The company managing the fund is Kryalos SGR S.p.A., based in Milan, the master servicer managing contracts and special servicer for loans recovery is Ernest & Young S.p.A.

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

## 3.4 – Disputes

### Parent Company

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

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

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

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

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

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

As a result of the assessments carried out with the support of solicitors and considering the risk of losing the case, Cassa Centrale Banca decided not to make provisions for risks and expenses in line with IAS 37 international accounting standard.

### Affiliated Banks

On 9 April 2024, a civil action was brought against Sicilbanca – Credito Cooperativo Italiano by a customer company, whose exposure was classified as non-performing, aimed at obtaining compensation for alleged damages, for a significant amount, deriving from the Bank's alleged unlawful conduct, for having had banking relations with the same customer. The Bank filed an appearance, rejecting the claims of the claimant on procedural and substantive grounds.

The proceedings are at the pre-trial stage.

As a result of the assessments carried out with the support of solicitors and considering the risk of losing the case, Cassa Centrale Banca decided not to make provisions for risks and expenses in line with IAS 37 international accounting standard.

### 3.5 - MREL Requirement

As part of the regulatory framework for the recovery and resolution of credit institutions and investment firms (the so-called BRRD), the Single Resolution Board (or SRB) communicated in March 2025 to Cassa Centrale Banca, as the Group's resolution entity, the Minimum Requirement of Eligible Liabilities (MREL<sup>2</sup>) to be met at a consolidated level for Cassa Centrale Banca and at an individual level for the Affiliated Banks identified as Relevant Entities by the relevant regulations in the 2024 resolution cycle. The MREL Requirement, formulated in accordance with Article 12 bis, paragraph 2), letters a) and b), of Regulation (EU) no. 806/2014, defined as a percentage of the total risk exposure amount (MREL-TREA) and as a percentage of the leverage ratio exposure<sup>3</sup> (MREL-LRE), was communicated by the Single Resolution Committee.

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

The minimum requirement for own funds and eligible liabilities on a consolidated basis, which the Parent Company must comply with, is 22.40% of the Total Risk Exposure (TREA), to which the combined capital reserve requirement (CBR)<sup>4</sup> should be added, and 5.91% of Leverage Ratio Exposure (LRE). The Parent Company is required to meet the above requirements as from the receipt of the MREL decision.

At the reference date of 30 June 2025, Cassa Centrale Banca, on a consolidated basis, and the Affiliated Banks identified as relevant entities on an individual basis comply with the MREL requirement, both as a percentage of the total risk exposure amount (MREL-TREA) and as a percentage of the leverage ratio exposure (MREL-LRE).

### 3.6 - European Central Bank credit and counterparty risk inspection

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

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

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

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

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

<sup>4</sup> Note that the CBR includes the Systemic Risk Buffer.

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

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

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

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

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

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

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

### **3.7 - Inspection of the European Central Bank on Risk Data Aggregation and Risk Reporting (RDARR)**

On 8 January 2025, the Cassa Centrale Banca Group received notice of its involvement in an inspection campaign initiated by the European Central Bank (ECB), concerning internal governance and risk management, with particular reference to the assessment of risk data aggregation capabilities and related reporting practices (RDARR), including any ancillary aspects related to this area. The on-site inspection (OSI) began in February 2025 and lasted for a total of approximately twelve weeks.

Consistent with the principles for effective data risk aggregation and risk reporting, issued by the Basel Committee (the BCBS 239) and with the relevant guidelines published by the ECB, the inspection covered the following areas:

- corporate governance;
- IT architecture and infrastructure;
- risk data aggregation capabilities;
- risk reporting practices.

With regard to the RDARR OSI, the Group is currently awaiting the draft inspection report, which will be preparatory for discussions at the exit meeting. Following this meeting, the Group will prepare and submit to the inspectors its formal response, containing any comments on the report.



### 3.8 - 2025 ECB SSM Stress Test

During the first half of 2025, the Group participated in the EU-wide regulatory stress test exercise coordinated by the European Banking Authority (EBA), within the scope directly supervised by the ECB (the “ECB SSM stress test”).

As of 30 June 2025, the Group has completed – in compliance with the instructions of the Methodological Note and the FAQs of the financial year, as well as the requests made by the Supervisory Authority – the various milestones of the financial year with the submission of the Advance Data Collection (ADC) and the subsequent Full Data Collections (FDC 1 and FDC 2).

The stress test exercise is not designed as a tool to “pass or fail” participating banks and does not include predefined thresholds for passing it; instead, the results will contribute to ongoing Supervisory dialogue and support the Supervisory Review and Evaluation Process (SREP).

The results of the 2025 stress test conducted by the EBA and ECB published on 1 August confirm that the Group’s capital strength remains at the highest level in the Italian and European banking system. In the face of particularly severe macroeconomic assumptions, the Group:

- retains the best position in each year of the adverse scenario (2025 to 2027) and
- in 2027, assuming an adverse scenario, the Cassa Centrale Group’s CET 1 Ratio would stand at 26.2%, compared to the average of 14.4% for Italian banks and 13.0% for European banks, guaranteeing the maintenance of a high buffer with respect to the minimum regulatory requirements and significantly higher than the System average.

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

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

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

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

The implementation of the adjustment actions communicated to Consob as part of the feedback provided on the aforementioned occasions continues.

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

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

The OSI looked at the following areas:

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

Following the discussion of the draft, the final version of the Inspection Report was sent to the Cassa Centrale Group on 28 April 2025, describing in detail the inspection activities conducted, with related considerations on the evidence produced and reflections on the areas audited.

Subsequently, on 11 July 2025, the Cassa Centrale Group received the Follow Up Letter setting out the supervisory expectations with regard to overcoming the weaknesses/shortcomings found during the inspection, which were outlined in the inspection report.

### 3.11 – “UTP deep dive” by the European Central Bank

Following the in-depth examination conducted by the European Central Bank between September and December 2024, focusing on the framework of credit risk controls and prompt interception of unlikely to pay exposures (Forbearance Deep Dive), the Cassa Centrale Banca Group received the follow-up letter from the JST on 27 March 2025, which summarised the supervisory recommendations to cover aspects for improvement found in this area.

The investigation focused mainly on: (i) adequacy of the loan review processes, with reference both to the periodic reviews of medium and large enterprises and to the ad hoc reviews following the activation of the EWS; (ii) robustness of the analyses of the customer’s repayment ability, carried out as part of the periodic and ad hoc reviews; (iii) adequacy of the indicators used to identify the customer’s economic-financial hardship status for the purposes of UTP classification.

The above issues were first addressed by analysing the Group’s regulatory framework then by verifying the implementation of the framework’s policies and procedures through the analysis of a sample of credit files and the bank’s concrete demonstration of the processes and tools inherent to loan review, UTP triggers, exit from default status, and monitoring the effectiveness of the framework.

In a letter dated 17 April 2025, feedback was provided to the Supervisory Authority regarding the overall action plan, the completion of which is expected by 31 March 2026, and the progress of which will be the subject of periodic quarterly reports to the Parent Company’s Top Management and the Supervisory Authority.

### 3.12 – Bank of Italy inspection on Anti-Money-Laundering Department

From 11 November 2024 to 11 February 2025, Cassa Centrale Group underwent an anti-money-laundering inspection by the Bank of Italy. The letter delivering the Inspection Report was received on 15 May 2025. The inspection was aimed at assessing areas identified for follow-up by the 2021 inspection regarding AML/CFT and verifying effective implementation of corrective actions. In the context of inspection activity, requests were also made to Affiliated Banks and Companies of the Banking Group. The outcome was partially favourable.

### 3.13 – European Central Bank internal governance and risk management audit

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

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

On 18 April 2024, the Board of Directors approved the "Group Action Plan", containing the remedial actions envisaged for each recommendation and the related deadlines, which was subsequently shared with the JST.

The measures outlined in the Action Plan were completed by 30 June 2025.

### 3.14 - Targeted review on Cyber Resilience

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

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

Implementation of the action plan continued in 2025 and is scheduled for completion by the first quarter of 2026.

### 3.15 – Cyber Resilience Stress Test

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

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

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

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

## 3.16 – Update to the Equity Investments of Cassa Centrale Banca

### Liquidation of Centrale Trading S.r.l.

On 14 March 2025, the Extraordinary Shareholders' Meeting of Centrale Trading S.r.l., an instrumental company of the Banking Group, resolved for early dissolution of the company via voluntary liquidation.

## 3.17 - Classification and measurement of loans to customers based on the general impairment model IFRS9

In order to calculate the expected loss at 30 June 2025, the Cassa Centrale Group incorporated macroeconomic scenarios into its IFRS 9 impairment model, in line with the provisions of the standard. These scenarios include the effects of the continuation of geopolitical crises and potential implications of the trade tariff policy of the United States. These aspects have partial impacts on growth forecasts, the main macroeconomic variables and financial indicators for 2025-2027, compared to previous forecasts.

For the calculation of IFRS9 value adjustments on the customer-loan portfolio as at 30 June 2025, the Group adopted an update of the IFRS9 models, introduced during the last quarter of 2024, calibrated to the historical series as at 31 December 2024 or the latest Prometeia macroeconomic scenarios provided in May 2025.

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

## 3.18 - Significant regulatory events during the period

The reference regulatory context in which the Group operates, also following its recognition as a significant supervised entity, is broad and articulated and has led, over time, to a process of organisational and procedural adjustment. In the first half of 2025, various regulations affecting the banking sector came into force.

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

### Transparency

#### **Legislative Decree no. 116 of 30 July 2024 transposing Directive (EU) 2021/2167 on credit servicers and credit purchasers - Bank of Italy implementing provisions on Legislative Decree 116/2024**

Official Gazette no. 189 of 13 August 2024, included publication of Legislative Decree no. 116 of 30 July 2024 transposing Directive (EU) 2021/2167 on credit servicers and credit purchasers, which made changes to Chapter I-bis (Art. 120-novies-decies) and II (Art. 125-bis) of Title VI of the Consolidated Law on Banking, regarding consumer real-estate lending and consumer lending, respectively, and the introduction of Chapter II "Purchase and servicing of non-performing loans and NPL servicers" to Title V of the TUB.

Although the Decree took effect from 14 August 2024, Art. 3 of the Decree (Transitional and final provisions) set out that the Bank of Italy must adopt the TUB implementation provisions within six months of the date of entry into force of the Decree.

Official Gazette no. 55 of 7 March 2025 included publication of Bank of Italy's implementation provisions of Chapter II, Title V of the TUB on NPL servicers and the document on amendments to the transparency provisions for banking and financial transactions and services.

These measures and consequently also Legislative Decree no. 116/2024 came into force on 8 March 2025.

In particular, the Decree introduced specific rules for the management of unilateral amendments to contractual conditions of loans falling within the scope of the aforementioned Chapters of the TUB, also in terms of information to be provided to customers in the context of unilateral amendment of contractual conditions, and introduced specific rules regarding the purchase and service of own and third-party non-performing loans.

In addition, specific supervisory provisions were introduced, implementing Chapter II, Title V of the TUB, for the servicing of NPLs, which consist of two parts:

- Part One contains the provisions applicable to NPL servicers;
- Part Two sets out the Provisions applicable to Banks and Intermediaries registered in the Register pursuant to Art. 106 TUB that perform servicing operations on behalf of purchasers of NPLs or that sell or intend to sell NPLs. In fact, the TUB provides that specific obligations, mostly of a conduct and disclosure nature, also apply to banks and financial intermediaries listed in the register referred to in Article 106 TUB who carry out in Italy the servicing of NPLs on behalf of loan purchasers, and to banks and intermediaries listed in the register referred to in Article 106 with reference to transactions involving the sale of NPLs originated or purchased by them.

The Parent Company informed the Banks by Alert no. 24 of 17 March 2025 of the entry into force of Legislative Decree no. 116/2024 and defined the scope of application of the aforementioned decree.

At the Parent Company, useful actions have been defined and are being implemented to bring the Banks' and Parent Company's operations into compliance, initiated on the basis of an impact analysis conducted when the regulations were issued.

## Accessibility

### **AGID: Guidelines in consultation on accessibility of services to consumers – Legislative Decree no. 82 of 27 May 2022**

Legislative Decree no. 82 of 27 May 2022 implemented in Italy Directive (EU) 2019/882, known as the European Accessibility Act, which establishes accessibility requirements for products and services intended for consumers.

In addition, the AgID (*Agenzia per l'Italia Digitale*, Agency for Digital Italy) published on 15 May 2025 a consultation document on Guidelines on the accessibility of services, implementing Legislative Decree no. 82 of 27 May 2022, which transposed Directive (EU) 2019/882 on the accessibility requirements for products and services (European Accessibility Act).

Legislative Decree no. 82/2022 came into force on 28 June 2025.

The Decree lists the products and services that, as of 28 June 2025, must meet the accessibility requirements of the EU directive in order to be placed on the market.

The products covered by the directive include in particular "consumer general purpose computer hardware systems and operating systems for those hardware systems" and "self-service payment terminals". The services to be made accessible also include: websites, "mobile device-based services, including mobile applications", and "consumer banking services".

The accessibility requirements – with which the products and services referred to in the previous paragraph must comply – are listed in Annex I of the decree. To this end, the characteristics that such products and services must possess in order to "maximise their foreseeable use by persons with disabilities" are defined.

Analyses to define the adjustments to be made to the affected products and services are carried out within the framework of the Working Group overseeing the activities to comply with Law no. 4/2004.

Evaluations concerning the necessary implementations to ensure compliance with the provisions of the Decree are ongoing. Moreover, in view of the significant impact of these regulatory provisions in terms of the implementation of contracts and procedures, the Parent Company is monitoring developments in interbank discussions.

## Payment services

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

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

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

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

It should be noted that all activities to comply with the regulatory obligations that came into force on 9 January 2025 have been completed and, in particular:

- instant credit transfers were enabled, to be received by all categories of current accounts, deposit accounts and prepaid cards enabled to receive ordinary SCTs (SEPA credit transfers);
- infrastructure control measurements were implemented, to ensure that instant SCTs are carried out within the timeframe foreseen by the Regulation, ensuring that funds are made available to the payee within 10 seconds of the order being received by the payer's Payment Services Provider;
- the fees for instant SCTs were adjusted, where higher than those for ordinary SCTs, in order to bring them into line with those for ordinary SCTs on all catalogue products and existing accounts. In this regard, a transaction was made available, and has already been executed by all Banks, which adjusted the fees in an automated manner starting from a set of rules – defined by the Parent Company together with a working group composed of a number of Group Banks – drawn up with the aim of ensuring compliance with regulatory provisions and, at the same time, minimising the economic impact on the Banks while preserving the clarity and transparency of conditions for customers;
- the Group contracts that provided, in the payment services section, the previous maximum time limit of 20 seconds for making funds available to the payee (current account, deposit account and Inbank) were adjusted;

- the transparency models of all products that allow the receipt of credit transfers (current accounts, deposit accounts and Inbank, prepaid cards) were adapted to incorporate the rules on pricing laid down in the Regulation, which require that customers are not charged higher costs for using the instant SCT service than for ordinary SCTs;
- a communication was prepared summarising the changes introduced with effect from January 2025 and sent to customers holding the accounts concerned (current account, deposit account, Inbank, prepaid card), together with the year-end Transparency documentation.

In order to comply with the regulatory obligations that will come into force on 9 October 2025, the Parent Company, with the support of Allitude, defined an Adjustment Plan for the second deadline, providing for:

- the activation of outgoing instant credit transfers for all products that allow the execution of ordinary credit transfers;
- the development of a new functionality to allow customers to set and subsequently modify a ceiling per instant transaction;
- the removal of the upper limit of EUR 100,000 per individual instant transaction;
- the implementation of the Verification of Payee (VOP) service;
- the request that the Banks adapt the contractual documentation and Transparency metamodels impacted, in order to ensure full regulatory compliance and clarity of information to customers;
- the preparation of specific Proposals of Unilateral Amendment to the contract, to be sent to customers together with the periodic Transparency notices of 30 June 2025, or, in their absence, with dedicated mailings, in order to introduce the new services to existing customers, as well as for the deactivation of the ATM/CSA channel for the execution of transfers.

The Parent Company, by means of a specific communication, informed the Banks of the continuation of the adjustments.

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

The Bank of Italy published on its website on 17 June 2024 a Communication addressed to payment service providers (PSPs) on disputing unauthorised payment transactions, in which it drew the attention of Banks to the need to adopt conduct that, on the one hand, complies with the rules on disputing unauthorised payment transactions and, on the other, is based on correct customer relations.

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

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

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

In this regard, on 15 May 2025, the Board of Directors approved the **Group Regulation for the Management of Payment Transaction Disputes**.

The document regulates the management of payment transaction disputes. In detail, it provides for specific provisions, consistent with Legislative Decree no. 11/2010 and with the Bank of Italy's expectations and guidelines, on the preliminary investigation of dispute requests, the timing of dispute operations, the assessment of reimbursement requests, the execution of reimbursements in favour of the customer, the suspension of reimbursements on the ground of suspicion of customer fraud to the detriment of the Bank, the possible chargeback of the amount initially repaid, and the manner in which information on the requests made is to be communicated to the customer in a clear and prompt manner.

The Parent Company implemented further adjustment actions, taking the following steps to make operations compliant with the Bank of Italy's communication:

- preparation of a Group Procedure on the subject related to the above-mentioned Regulation;
- preparation of Decision Grids, annexed to the Procedure referred to in the previous point, to support Banks' decision-making activities related to the reimbursements to be made to customers;
- adjustment of contract texts in order to strengthen transparency towards the customer on the basis of the Bank of Italy's Communication;
- implementation of a new contact channel through which the customer has the possibility of disputing a payment transaction;
- creation of a specific transparency document explaining to customers the procedure to be followed to dispute payment transactions;
- adjustment in SIBANK of the operational tool used for the operations of dispute requests.

### **Instructions issued by the Bank of Italy, COVIP, IVASS and MEF for the exercise of enhanced controls on the operations of authorised intermediaries to counter the funding of manufacturers of anti-personnel mines, cluster munitions and submunitions, implementing Law no. 220/2021.**

On 8 February 2025, the provisions contained in the "Instructions issued by the Bank of Italy, COVIP, IVASS and MEF for the exercise of enhanced controls on the operations of authorised intermediaries to counter the funding of manufacturers of anti-personnel mines, cluster munitions and submunitions" came into force, implementing Law no. 220/2021.

To ensure compliance of the operations of Cassa Centrale, the Affiliated Banks and Claris Leasing S.p.A. (Group Companies affected by the regulation), the Parent Company has:

- approved at the Board of Directors' meeting of 27 January 2025, the update of the Group Policy on Arms, issued 11 March 2025, with the addition of a new paragraph formalising the prohibition for the Parent Company and Group Companies to carry out any financing of prohibited companies;
- requested Allitude to activate a special centralised block in the information system, which will prevent operations with prohibited companies, thus ensuring compliance with the financing regulatory ban. The block was activated and made operational on the information system of Cassa Centrale and the Affiliated Banks on 10 March 2025;
- communicated to the Affiliated Banks the adjustment actions taken at Group level by CCB Circular no. 97/2025 of 04 March 2025.

With reference to transactions involving financial instruments, the Parent Company requested that additional blocks be included in the securities database as well as specific due diligence and look through activities on investments made by third-party producers of financial products marketed at Group level (e.g. mutual funds, SICAVs, IBIPs).

### **CRD VI and CRR III**

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

In particular, the EU Parliament approved, with amendments:

- the Regulation amending the CRD VI – Capital Requirements Directive (Directive 2013/36/EU) regarding supervisory powers, sanctions, branches in third countries and environmental, social and governance (ESG) risks;



- the Regulation amending the CRR – Capital Requirements Regulation (Regulation (EU) no. 575/2013) in relation to credit risk requirements, the risk of adjustment of the credit assessment, operational risk, market risk and the output floor.

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

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

In summary, the approved proposals:

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

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

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

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

## Investment services

### Consob notice regarding "sustainable finance" in the provision of investment services

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

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

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

The Parent Company notified the Banks of the publication of this Communication by Consob and carried out the appropriate impact analysis. It was shared with the Parent Company's internal structures identified as the owners of the respective obligations, which are expected to be implemented during 2025 and 2026.

### **Consob notice on AMC compliance with "sustainable finance" obligations**

On 11 February 2025, Consob published Notice no. 1 of 11 February 2025 – complementary to Consob Notice no. 1/24 of 25 July 2024 referred to in the previous paragraph – aimed at addressing Asset Management Companies (hereinafter, AMCs) on their compliance with certain key elements of the regulations on the inclusion of ESG factors within the decision-making process of UCITs and on information transparency at product level, which the Authority considers worthy of consideration at the current stage of implementation of the regulatory framework of reference.

In representing some positive and negative conduct observed in the operations of the AMCs, the Notice also provides recommendations to be understood as valid for intermediaries, other than AMCs, providing portfolio management services.

Specifically, the document provides a series of recommendations around the following two macro-profiles, only the first of which is also addressed to providers of portfolio management services:

- sustainability transparency under the SFDR with regard to product-level disclosure (see par. 3.1);
- inclusion of ESG factors in the decision-making process for the management of UCITS (see par. 3.2).

With reference to the first point, the Notice provides particular recommendations on two detailed disclosure templates that, by virtue of the SFDR's transparency obligations, must be provided to customers:

- pre-contractual information. In this respect, the document suggests operating practices that aim to ensure the provision of clear and correct information to end investors;
- periodic reporting (Annexes IV and V of Commission Delegated Regulation (EU) 2022/1288). In this respect, the document sets out operating practices that aim to define a structural framework for operators to ensure that investors are adequately informed approximately their performance in relation to ex ante declared ESG and sustainability profiles.

In light of its incoming portfolio management service activity, the Parent Company conducted the appropriate impact analysis of the scope of application of the Notice – as defined above, involving the competent internal structures of the Parent Company for the purpose of defining the adjustment actions to be taken and related implementation timeframes.

### **Article 4, paragraphs 2 and 3 of Law no.28 of 11 March 2025 on raising the exemption threshold for MiFID purposes related to shares of Cooperative Credit Banks**

On 20 March 2025, Law no.28 of 11 March 2025 (hereinafter the "Law") was published in Official Gazette, Article 4, paragraphs 2 and 3 of which introduced an update of the regulations set out in Article 20, par. 2-ter of Decree Law no. 119 of 23 October 2018, as amended by Conversion Law no. 136 of 17 December 2018 (the Fiscal Decree), concerning the regulation, in terms of exemption thresholds for MiFID purposes, of shares issued by Cooperative Credit Banks. Specifically, whereas:

- by virtue of the amendments made to the TUF with the transposition of Directive 2014/65/EU (MiFID II Directive), shares issued by Cooperative Credit Banks fall under the definition of "financial products, other than financial instruments,

issued by banks” and are, therefore, subject to regulation by the new Article 25-bis of the TUF, with the consequent applicability from 3 January 2018 of the rules on investment services contained in the TUF relating to general criteria (Article 21), contracts (Article 23) and the provision of investment advisory services (Article 24-bis), whenever an “offer” or “advisory” activity is carried out;

- the Fiscal Decree introduced a cause for non-application of the above-mentioned TUF articles, in order to recognise, within a certain nominal threshold, the different nature of equity instruments issued by CCBs compared to those issued by other banks;
- Article 20, par. 2-ter of the aforementioned Fiscal Decree provided that Articles 21, 23 and 24-bis of the TUF did not apply to the offer and advice concerning shares issued by Cooperative Credit Banks “when the subscription or purchase is of a nominal value not exceeding EUR 1,000 or, if higher than this amount, represents the minimum quota established in the bank’s bylaws to become a shareholder, provided that the same does not exceed a nominal value of EUR 2,500. Purchases and subscriptions made in the previous twenty-four months are taken into account for the purposes of compliance with the aforementioned limits. The Law provided, in Article 4, paragraphs 2 and 3, for an increase in the exemption thresholds for MiFID purposes referred to in the third point above to EUR 2,000 and EUR 3,000 respectively in the case of the minimum quota to be established.

The Parent Company then carried out a relative impact analysis, involving the competent internal structures of the Parent Company for the purpose of defining the adjustment actions to be taken and related implementation timeframes.

## Insurance distribution

As far as insurance is concerned, a number of regulatory provisions have been issued over time, in particular, relating to the establishment of the Insurance Arbitrator and the obligation of companies to insure against catastrophe risks, as follows:

- **Ministry of Enterprises and Made in Italy Decree no. 215 of 6 November 2024** containing the Regulation establishing and governing the Insurance Arbitrator at IVASS, pursuant to Art. 141, paragraph 7 of the Italian Consumer Code and Article 187.1 of the CAP – Private Insurance Code, published in Official Gazette no. 6 of 9 January 2025.

Insurance companies and insurance intermediaries adhere to it without the need for special notice, as a result of being registered in the Business Register, the Single Register of Intermediaries (RUI) or the relevant lists. The Insurance Arbitrator is in charge of disputes arising from an insurance contract, concerning the ascertainment of rights, obligations and powers inherent to insurance services and performances or non-compliance with the rules of conduct set forth in Title IX, Chapter II, Section IV, Chapters III, III-bis and III-ter of the Insurance Code, pertaining to the exercise of insurance distribution activities.

- **Measure no. 106122 of 23 May 2025 and Explanatory Report** of the technical and implementing provisions concerning the Insurance Arbitrator prepared by IVASS pursuant to Article 13 of Decree no. 215 of 6 November 2024 and published by IVASS on 23 May 2025. In particular, pursuant to Art. 2.3 of the aforementioned Measure, companies and intermediaries shall notify IVASS by 30 July 2025 of a contact person for the management of appeals and the electronic means of communication used for dialogue with the Insurance Arbitrator (e.g. certified email – PEC, Registered Electronic Mail, Peo).

The Compliance Department informed the Banks of this regulatory change and contacted the competent Parent Company and Assicura Agenzia structures to put in place the necessary activities in preparation for the start-up of the arbitrator’s operations (e.g., updating of internal regulations on complaints and litigation, updating of IT applications, changes to customer information on out-of-court settlement procedures, information to be published on intermediaries’ websites).

Pursuant to Art. 9.3 of Measure no. 106122 of 23 May 2025, the operations of the Insurance Arbitrator shall be declared by IVASS by means of its own measure published on the Institute’s website, pursuant to Article 13, paragraph 2 of Decree no. 215 of 6 November 2024.

- **Decree of the Minister of Economy and Finance and the Minister of Enterprises and Made in Italy no.18 of 30 January 2025** concerning the Regulation on the implementation and operating methods of insurance schemes for

catastrophe risks pursuant to Article 1, paragraph 105 of Law no. 213 of 30 December 2023 (Budget Law 2024). The decree was published in Official Gazette no.48 of 27 February 2025.

- **Law no. 78 of 27 May 2025** on the conversion into law, with amendments, of Decree Law no. 39 of 31 March 2025, published in Official Gazette no. 124 of 30 May 2025. In particular, the measure provided for a gradual entry, differentiating the term of application on the basis of size criteria of the companies, of the obligation for all companies to take out insurance contracts to cover damage to assets directly caused by natural disasters and catastrophic events, such as earthquakes, floods, landslides, and floods, as defined by MEF Decree no. 18 of 30 January 2025.

It should be noted that, upon conversion, amendments were made to Decree Law no. 39 of 31 March 2025, including the addition of provisions to Law no. 213/2023 (State Budget for financial year 2024 and multi-year budget for the three-year period 2024-2026), specifically:

- in Art. 1, paragraph 101 of Law no. 213/2023, the following section was added: "In determining the value of the assets to be insured, the reinstatement value of the property or the cost of replacing furniture or the cost of restoring the condition of the land affected by the calamitous event is taken into account";
- in Art. 1, paragraph 106 of the same Law, the second section was replaced by the following: "The insurer is obliged to insure only buildings constructed or extended on the basis of a valid building licence or whose completion dates back to a date when the issuance of a building licence was not mandatory. Also insurable are buildings subject to amnesty or for which amnesty or amnesty proceedings are in progress. For buildings that cannot be insured in consideration of the provisions of the preceding sentence, no indemnity, contribution, subsidy or facility of a financial nature from public resources, including those provided for in connection with calamitous and catastrophic events, shall be granted;
- furthermore, Art. 1-bis (Financial provisions for management of emergencies) of Decree Law no. 155 of 19 October 2024, converted, with amendments, by Law no. 189 of 9 December 2024, was supplemented.

The Compliance Department informed the Banks of these regulatory changes, made contact with the competent structures of Assicura Agenzia, which communicated with the insurance company Assimoco, issuer of the Assirisk product in the Secure Catalogue, and issued on 11 March 2025 a compliance opinion for the distribution of the Assimoco S.p.A. standardised insurance policy "Assirisk".

## Anti-Money Laundering

The most prominent and relevant provisions of the regulatory framework on anti-money laundering and countering the financing of terrorism have been supplemented as follows.

- On 2 January 2025, the Bank of Italy published on its website a document on the aggregated information of the AML questionnaires completed by intermediaries in 2024, covering the year 2023. For the purpose of presenting the data and with the aim of facilitating their interpretation, the responding intermediaries were divided into eight categories: banks with traditional activities ( "traditional banks"); banks specialising in corporate & investment banking or private banking ( "corporate and private banks"); financial intermediaries registered under Art. 106 TUB and microcredit operators ( "financial entities"); trust companies registered in the separate section of the register pursuant to Art. 106 TUB ( "trust companies"); payment institutions specialising in money remittance services ( "PI – remittance"); other payment institutions and electronic money institutions ( "other PIs and IMELs); SGRs, SICAFs and asset management companies ( "SGRs"); stock brokerage (SIMs) and investment companies ( "SIMs").
- In Official Gazette, General Series, no. 1 of 02 January 2025, Legislative Decree no. 211 of 10 December 2024 was published, bringing national legislation into line with the provisions of Regulation (EU) 2018/1672 on controls on cash entering or leaving the Union.

The main new features of the decree are summarised below:

- expansion of the measures for reporting transfers of values of or over EUR 10,000 to include both cash and payment instruments, such as prepaid cards and other means: the competent authorities will now be obliged to send fortnightly reports to the FIU on the movements of such values;

- obligation to transmit information on suspicions of money laundering or terrorist financing to the FIU, without minimum thresholds, as well as cases of non-compliance with reporting obligations revealed during controls;
- redefinition of the categories of “investment gold” and “tangible gold”, and reduction of the minimum threshold for reporting transactions with such values to the FIU, from EUR 12,500 to EUR 10,000 (and this also in the event of fractional transactions exceeding EUR 2,500 per individual transaction during the month and in any case EUR 10,000 in total);
- the professional exercise of gold trading by corporations will be subject to prior notification to the Organismo degli Agenti e Mediatori (OAM, Body of Agents and Brokers), which will set up and maintain a special register;
- amendments to the currency legislation: in particular, the definitions of “cash”, “currency”, “bearer negotiable instruments”, “prepaid cards” and “unaccompanied cash” are updated;
- with regard to the obligation to declare “unaccompanied cash” transfers of EUR 10,000 or more, the declaration will not be valid if the information provided is inaccurate or incomplete and if the cash is not made available for control by the Italian Customs Agency (ADM);
- granting ADM and the Guardia di Finanza the power to temporarily detain (for up to 30 days, extendable to 90 in special cases) undeclared cash suspected of being linked to criminal activities;
- strengthening of controls on cash movements based on risk analysis, including the use of IT procedures, with the possibility of using the information collected also for tax purposes;
- strengthening cooperation between ADM, Guardia di Finanza and European authorities by exchanging information through the Italian Customs Information System (SID); in the case of suspicions linked to organised crime or which may threaten the EU’s financial interests, information will also be transmitted to the European Commission, EPPO (European Public Prosecutor’s Office) and Europol;
- tightening of sanctions: with regard to the extinction via immediate payment of violations of the reporting and disclosure obligations relating to cash transfers, the percentages for the payment of the reduced amounts are increased from 15% to 30% of the undeclared amount for amounts exceeding EUR 10,000 but below EUR 40,000, or sanctions are distinguished between omitted declaration and incomplete or inaccurate declaration and the administrative fines imposed for the violation of reporting and disclosure obligations are increased.

Legislative Decree no. 211/2024 came into force on 17 January 2025.

- On 15 January 2025, the Bank of Italy published a consultation document on its website concerning the extension of the provisions on customer due diligence and on the organisation, procedures and internal controls for combating money laundering and terrorist financing of Crypto-Asset Service Providers ( “CASPs”). In particular, the regulatory intervention stems from the need to implement the amendments made to Legislative Decree no. 231 of 21 November 2007 ( “Anti-Money Laundering Decree”) by Legislative Decree no. 204 of 27 December 2024 (see AML Regulatory Alert no. 121/24), which adapted the national legislation to Regulation (EU) 2023/1113 (European Fund Transfer Regulation – “TFR”), concerning data accompanying transfers of funds and certain crypto-assets. Legislative Decree no. 204/2024 amended the Anti-Money Laundering Decree to include crypto-asset service providers among the financial intermediaries referred to in Art. 3, paragraph 2 of the decree, assigning the Bank of Italy with the task of supervising anti-money laundering matters on this new category of intermediaries.
- The European Banking Authority (EBA) published the official translation of the: (i) Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures; ii) Guidelines on internal policies, procedures and controls to ensure the implementation of Union and national restrictive measures under Regulation (EU) 2023/1113. Through these documents, the EBA proposes the adoption of common standards on the development and implementation of policies, procedures and controls for the implementation of restrictive measures to address the lack of uniformity, within the EU, in the implementation of these measures. In particular, the first guidelines specify the policies, procedures and internal controls that financial institutions subject to regulation and supervision under Directive 2013/36/EU, Directive (EU) 2015/2366 and Directive 2009/110/EC should have in place in order to ensure the effective implementation of Union and national restrictive measures. The second, aimed instead at payment service providers (PSPs) and crypto-asset service providers (CASPs), details the requirements for PSPs and CASPs to

comply with the restrictive measures when performing transfers of funds or crypto-assets. Both guidelines will apply from 30 December 2025.

- On 21 February 2025, the FATF updated the list of high-risk and other monitored jurisdictions. Specifically, the Philippines (which remains on the EU list) was removed from the list of high-risk countries identified by the FATF, while the following countries were added: Lao People's Democratic Republic and Nepal.
- The FIU – Financial Intelligence Unit for Italy – and the Bank of Italy published on 4 April 2025, on their websites, a joint communication on the new ATECO 2025 classification. The Communication recalls that Commission Delegated Regulation (EU) 2023/137 updated as of 1 January 2025 the statistical classification of economic activities known as “NACE – General Classification of Economic Activities in the European Community”, defined by Regulation (EC) 1893/2006. In particular, the update provides for the adjustment of the classification (NACE Rev. 2.1) in line with the coding of economic activities used for the production and dissemination of official statistical data (ATECO 2025). In particular, the Bank of Italy and the FIU announced that in the context of compliance with Legislative Decree no. 231/2007 (“Anti-Money Laundering Decree”), such as the retention of data and information, as well as the reporting and communication to the FIU, the deadline for the use of the new ATECO 2025 economic activity coding to replace the previous one is postponed and shall take effect from 1 January 2026.

## Privacy

With consultation document no. 9/2024 of 18 December 2024, IVASS initiated the public consultation process on a draft measure on the right to be forgotten for cancer survivors which, when approved, will make significant changes to IVASS regulations already in force. In particular, the draft measure provides for disclosure obligations for insurance intermediaries. From a data protection perspective, such disclosure obligations should only be incumbent on data controllers, which in insurance distribution should coincide with insurance companies. However, in view of the sensitivity of the subject, also in relation to possible repercussions on the storage of personal data, and considering that the banking sector must also carry out similar assessments for its own products, the Data Protection Service is closely monitoring the developments of this public consultation and is participating in the assessments with the Compliance Service of Cassa Centrale.

With its resolution of 19 December 2024, the Italian Data Protection Authority announced the inspection activities carried out by the Office of the Authority, also by means of the Guardia di Finanza, limited to the period from January to June 2025. During this period, in addition to the investigations of an ex officio inspection nature, or in relation to reports or complaints submitted, the Italian Data Protection Authority focused its attention on several issues. The following issues are those with the greatest relevance for credit institutions: a) checks on data breaches relating to public databases of particular relevance with specific reference to the verification of security systems and the accessibility profiles of the databases themselves; b) continuation of checks on the databases of credit institutes with specific reference to breaches of personal data subject to notification to the Italian Data Protection Authority and verification of the measures adopted to detect them promptly and/or prevent them; (...) d) checks on the data processing carried out by companies that manage call centres and email marketing services using address books and databases in an illegitimate manner; (...) g) continuation of checks on the use of profiling cookies in relation to the Guidelines of 10 June 2021 and taking into account the reports and complaints received by the Italian Data Protection Authority (...); k) other checks on public and private entities, in order to verify compliance with the provisions on the protection of personal data, including investigations relating to complaints and formal reports submitted to the Authority and being investigated by the relevant Departments and Services.

On 5 June 2025, the European Data Protection Board (EDPB) published Guidelines 02/2024 on Art. 48 of the GDPR entitled “Transfers or disclosures not authorised by Union law”. The purpose of these guidelines is to clarify the rationale and purpose of Article 48, including its interaction with the other provisions of Chapter V of the GDPR, and to provide practical recommendations for data controllers and processors in the EU who may receive requests from third country authorities to disclose or transfer personal data. In the document, the EDPB clarifies that irrespective of the existence of an applicable international agreement, if a data controller or processor in the EU receives and responds to a request for personal data from an authority in a third country, such a data flow constitutes a transfer within the meaning of the GDPR and must comply with Article 6 and the provisions

of Chapter V. Although this guideline does not require adaptation, it has been implemented as an assessment criterion for any future requests on personal data relating to data subjects whose data are processed by the Parent Company or the CCBs.

## Administrative liability of entities

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

- On 5 April, Legislative Decree no. 43/2025, which introduced a “Revision of the provisions on excise duties”, entered into force. The Decree stipulates that only entities that, in the five-year period preceding the request, have not incurred sanctions pursuant to Legislative Decree no. 231/2001 may be admitted to SOAC (Accredited Obligated Entity) status. This specific requirement will enter into force from 1 July 2028.

The reform also stipulates that, in order to grant the status of SOAC, the Italian Customs and Monopolies Agency must also determine the reliability of the candidate entity, assessing the company’s organisation, administrative and accounting structure in relation to the flow of excisable products, as well as the adoption of a “control and monitoring system for the prevention of offences under Legislative Decree no. 231 of 8 June 2001”.

- On 29 May, the Senate gave its final approval to the bill “Amendments to the Criminal Code, the Code of Criminal Procedure and other provisions for the integration and harmonisation of legislation on crimes against animals” (DDL 1308). The new legislation provides for higher penalties for offences committed to the detriment of animals, and the introduction, into the body of Legislative Decree no. 231/2001, of a new article:

- “Art. 25-undecies - (Crimes against animals)

1. In relation to the commission of the offences set forth in Articles 544-bis, 544-ter, 544-quater, 544-quinquies and 638 of the Criminal Code, a fine of up to five hundred units shall be imposed on the entity.

2. In the event of a conviction or application of the penalty at the request of the parties, pursuant to Article 444 of the Code of Criminal Procedure, or a criminal decree of conviction, pursuant to Article 459 of the Code of Criminal Procedure, for the offences referred to in paragraph 1 of this Article, the disqualification penalties provided for in Article 9, paragraph 2 of this decree shall be applied to the entity for a period not exceeding two years.

3. Paragraphs 1 and 2 do not apply to the cases provided for in Article 19-ter of the Coordination and Transitional Provisions for the Criminal Code”. 19-ter, referred to above, in turn states that “[t]he provisions of Title IX bis of Book II of the Criminal Code do not apply to the cases provided for by the special laws on hunting, fishing, livestock, transport, slaughter, scientific experimentation on animals, circus activities, zoological gardens, and other special laws on animals. The provisions of Title IX bis of Book II of the Criminal Code also do not apply to historical and cultural events authorised by the competent region”.

The measure will enter into force 15 days after its publication in the Official Gazette.

The aforementioned regulatory changes were not deemed applicable to the Cassa Centrale Group. With reference to Cassa Centrale Banca, the analyses aimed at identifying the consequent changes to be made to the Organisation, Management and Control Model pursuant to Legislative Decree 231 of 8 June 2001 ruled out the need for such an update with respect to the changes introduced by the Legislator in the area of 231 legislation.

## Climate and environmental risks

In January 2025, the European Banking Authority (EBA) published the final guidelines on the management of environmental, social and governance (ESG) risks. These guidelines establish the requirements for institutions regarding the identification, measurement, management and monitoring of ESG risks, including through plans aimed at handling risks deriving from the transition towards a climate-neutral economy in the EU.

Climate change, environmental degradation, social issues and other environmental, social and governance factors represent significant challenges for the economy with impacts on the financial sector. The risk profile and business model of financial



institutions may be influenced by ESG risks, and in particular by climate risks through transition and physical risk factors. To guarantee the security and stability of institutions in the short, medium and long term, the Guidelines establish requirements that institutions should follow when defining internal processes and approaches to ESG risk management.

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

The guidelines will apply from 11 January 2026, with the exception of small and non-complex entities, for which the guidelines will apply from 11 January 2027 at the latest.

## ICT and security risk control function

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

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

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

Cassa Centrale Banca also continued its adjustment plan in the first half of 2025, in addition to the coordination and alignment among the various functions involved, allowing for further cross-functional interdependencies to be addressed. DORA came into force on 17 January 2025 and, on that date, regulatory compliance was ensured with the issuance of Policies, Regulations and Procedures that regulated the application of new processes or modified existing ones. In the first quarter of 2025, a DORA adequacy compliance audit was carried out, verifying a substantial adequacy of the regulations and processes and the need to complete this adaptation, especially in the IT areas, according to a prepared and agreed plan of action.

Furthermore, as far as relations with third-party ICT service providers are concerned, a plan was drawn up to adapt existing contracts to the new clause with the implementations required by the Regulation itself.

Finally, a compliance audit was launched in the first half of 2025, the objective of which is not only to verify the adequacy of the regulations, tools, risk culture and controls in place, but also to verify their effectiveness. The audit is expected to be completed during the second half of 2025.

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

On 1 August 2024, Regulation (EU) 2024/1689 of the European Parliament and of the Council laying down harmonised rules on artificial intelligence (AI Act) came into effect. The Regulation provides for a series of deadlines, from 6 to 36 months after its entry into force, within which certain internal adaptation actions are required. In particular, it is necessary to regulate the processes of development and use of AI systems so as to be aligned with the provisions of the Regulation.



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

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

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

Finally, the Regulation establishes that employees using AI systems must be adequately trained and updated on the potential risks associated with these systems.

With regard to the above, Cassa Centrale Banca, having performed an analysis of the regulatory document and an initial impact assessment, reviewed all artificial intelligence systems currently in use at the Group level in order to classify them based on the categories introduced by the AI Act, and verified that there were indeed no banned systems, for which decommissioning would have been required by February 2025. Finally, a specific training programme on artificial intelligence has been launched to fulfil the skills and training requirements established by the Regulation. Specifically, in the first half of 2025, Cassa Centrale Banca undertook to organise a series of training activities that would be delivered to all employees in the form of bitesize learning units on AI systems, their use and related regulations. Finally, the drafting of internal regulations has also begun in order to define AI governance and to regulate the use and possible development of internal AI systems.

# 4. Operating performance of the Cassa Centrale Group

## 4.1 - Performance indicators of the Group

The main performance indicators for the period ended 30 June 2025 are shown below:

RATIOS	30/06/2025	31/12/2024	% change
<b>STRUCTURAL RATIOS</b>			
Net loans to customers* / Total assets	54.6%	55.8%	(2.2%)
Net loans to customers* / Direct funding from customers**	68.7%	68.2%	0.7%
Gross NPL ratio	3.4%	3.5%	(2.9%)
Net NPL ratio	0.7%	0.7%	0.0%
<b>PROFITABILITY INDICES</b>			
Net profit / Net equity (ROE)	11.9%	12.5%	(4.8%)
Net profit / Total assets (ROA)	1.3%	1.3%	0.0%
Cost / Income ***	58.3%	58.4%	(0.2%)

\* Net loans to customers include loans and advances to customers at amortised cost and at fair value excluding, for this table only, any exposures to Euronext Clearing and the adjustment of the value of financial assets subject to macro-hedging; they therefore differ from the exposures to customers shown in the financial statements.

\*\* Direct funding from customers excludes repos with Euronext Clearing and debt securities in issue placed with institutional customers.

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

The indicators shown represent the main operating trends of the Cassa Centrale Group as at 30 June 2025.

With regard to structural ratios, net loans to customers represent 54.6% of the total consolidated assets of the Cassa Centrale Group, confirming the predominant activity of the Affiliated Banks aimed at financing the reference territory, households and small economic operators in the context of their business activities. The index is slightly lower than the findings at December 2024.

In light of the change in lending activities, the ratio of net loans to direct funding from customers at 30 June 2025 confirms the Cassa Centrale Group's high degree of liquidity, at 68.7%, a slight increase on the figure at the end of 2024.

Controls on credit quality remained constant: as at 30 June 2025, the gross NPL ratio stood at 3.4% (3.5% at the end of 2024), while the net NPL ratio remained below the 1% threshold and stood at 0.7% (0.7% also at the end of 2024).

With reference to profitability ratios, the ROE, calculated as the ratio of annualised net profit for the period to equity, is 11.9%, while the ROA, calculated as the ratio of annualised net profit for the period to the financial statements total, is around 1.3%.

The cost/income ratio remained in the 58% area, in line with the target of the Strategic Plan 2025-2027, confirming the sustainable level of efficiency achieved by the Group, also in consideration of the investments made in territorial and technological development to support commercial evolution.

In the first six months of 2025, net write-backs of EUR 39 million were recorded on credit positions thanks to internal management and recovery of impaired loans and the high level of hedging on credit exposures.

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

## 4.2 - Financial position aggregates

### Reclassified balance sheet<sup>5</sup>

(Figures in millions of euro)	30/06/2025	31/12/2024	Change	% change
Cash and cash equivalents	552	603	(51)	(8.5%)
Exposures to banks	826	778	48	6.2%
Exposures to customers	49,684	48,614	1,070	2.2%
of which at fair value	90	95	(5)	(5.3%)
Financial assets	35,209	32,335	2,874	8.9%
Equity investments	50	54	(4)	(7.4%)
Tangible and intangible assets	1,366	1,350	16	1.2%
Tax assets	396	421	(25)	(5.9%)
Other asset items	2,628	2,882	(254)	(8.8%)
<b>Total assets</b>	<b>90,711</b>	<b>87,037</b>	<b>3,674</b>	<b>4.2%</b>
Due to banks	935	1,291	(356)	(27.6%)
Direct funding	75,480	73,287	2,193	3.0%
- Due to customers	68,435	66,309	2,126	3.2%
- Debt securities in issue	7,045	6,978	67	1.0%
Other financial liabilities	22	23	(1)	(4.3%)
Provisions (Risks, expenses and personnel)	519	487	32	6.6%
Tax liabilities	83	57	26	45.6%
Other liability items	3,802	2,512	1,290	51.4%
<b>Total liabilities</b>	<b>80,841</b>	<b>77,657</b>	<b>3,184</b>	<b>4.1%</b>
Group's equity	9,870	9,380	490	5.2%
<b>Consolidated equity</b>	<b>9,870</b>	<b>9,380</b>	<b>490</b>	<b>5.2%</b>
<b>Total liabilities and equity</b>	<b>90,711</b>	<b>87,037</b>	<b>3,674</b>	<b>4.2%</b>

As at 30 June 2025, the Cassa Centrale Group's assets amounted to approximately EUR 91 billion (+4.2% compared to EUR 87 billion at December 2024) and consisted mainly of net loans to customers, which increased by more than EUR 1 billion compared to the end of 2024. Financial assets were up compared to the end of 2024, both due to the increase in net loans to banks of EUR 826 million and the increase in the securities portfolio by almost EUR 3 billion.

Liabilities are mainly made up of direct funding from customers which in June 2025 stood at EUR 75.5 billion (+3.0% compared to EUR 73.3 billion in December 2024). Amounts due to banks, equal to EUR 935 million, were down compared to the figure at the end of the previous year (EUR -356 million), and mainly refer to repurchase agreements with banking counterparties. Group equity was EUR 9.9 billion, including the profits made in the previous period.

<sup>5</sup> In order to provide a better management representation of the results, the balance sheet figures differ from the layouts of the Financial statements envisaged by Bank of Italy Circular no. 262 of 2005, 8<sup>th</sup> update.

## Reconciliation of consolidated balance sheet and reclassified balance sheet

(Figures in millions of euro)	30/06/2025	31/12/2024
<b>Cash and cash equivalents</b>	<b>552</b>	<b>603</b>
Item 10 (partial) - Cash and cash equivalents - Cash	552	603
<b>Exposures to banks</b>	<b>826</b>	<b>778</b>
Item 10 (partial) - Cash and cash equivalents - Current accounts and deposits on demand with banks	109	108
Item 20a (partial) - Financial assets held for trading - Loans to banks	-	-
Item 20b (partial) - Financial assets measured at fair value - Loans to banks	-	-
Item 20c (partial) - Other financial assets mandatorily measured at fair value - Loans to banks	-	-
Item 30 (partial) - Financial assets measured at fair value through other comprehensive income - Loans to banks	-	-
Item 40a (partial) - Financial assets at amortised cost - Loans to banks (excluding debt securities)	717	670
<b>Exposures to customers</b>	<b>49,684</b>	<b>48,614</b>
Item 20a (partial) - Financial assets held for trading - Loans (counterparties other than banks)	-	-
Item 20b (partial) - Financial assets designated at fair value - Loans (counterparties other than banks)	-	-
Item 20c (partial) - Other financial assets mandatorily measured at fair value - Loans (counterparties other than banks)	90	95
Section 30 - Financial assets measured at fair value through other comprehensive income - Loans (counterparties other than banks)	-	-
Item 40b (partial) - Financial assets at amortised cost - Loans to customers (excluding debt securities)	49,665	48,576
Item 60 - Fair value change of financial assets in hedged portfolios (+/-)	(71)	(57)
<b>Financial assets</b>	<b>35,209</b>	<b>32,335</b>
Item 20a (partial) - Financial assets held for trading - Debt securities, Equity securities, UCITS units and Derivative instruments	5	6
Item 20b (partial) - Financial assets measured at fair value - Debt securities	-	-
Item 20c (partial) - Other financial assets mandatorily measured at fair value - Equity securities, Debt securities and UCITS units	153	141
Item 30 (partial) - Financial assets measured at fair value through other comprehensive income - Debt securities and Equity securities	11,170	9,899
Item 40a (partial) - Financial assets at amortised cost - Loans to banks (debt securities)	445	427
Item 40b (partial) - Financial assets at amortised cost - Loans to customers (debt securities)	23,357	21,792
Item 50 - Hedging derivatives	79	70
<b>Equity investments</b>	<b>50</b>	<b>54</b>
Item 70 - Equity investments	50	54
<b>Tangible and intangible assets</b>	<b>1,366</b>	<b>1,350</b>
Item 90 - Tangible assets	1,254	1,242
Item 100 - Intangible assets	112	108
<b>Tax assets</b>	<b>396</b>	<b>421</b>
Item 110 - Tax assets	396	421
<b>Other asset items</b>	<b>2,628</b>	<b>2,882</b>
Item 80 - Insurance assets	-	-
Item 120 - Non-current assets and groups of assets held for disposal	-	1
Item 130 - Other assets	2,628	2,881
<b>Total assets</b>	<b>90,711</b>	<b>87,037</b>

(Figures in millions of euro)	30/06/2025	31/12/2024
<b>Due to banks</b>	<b>935</b>	<b>1,291</b>
Item 10a - Financial liabilities measured at amortised cost - Due to banks	935	1,291
Item 20 (partial) - Financial liabilities held for trading - Due to banks	-	-
Item 30 (partial) - Financial liabilities measured at fair value - Due to banks	-	-
<b>Direct funding</b>	<b>75,480</b>	<b>73,287</b>
<b>- Due to customers</b>	<b>68,435</b>	<b>66,309</b>
Item 10b - Financial liabilities measured at amortised cost - Due to customers	68,435	66,309
Item 20 (partial) - Financial liabilities held for trading - Due to customers	-	-
Item 30 (partial) - Financial liabilities measured at fair value - Due to customers	-	-
<b>- Debt securities in issue</b>	<b>7,045</b>	<b>6,978</b>
Item 10c - Financial liabilities measured at amortised cost - debt securities in issue	7,045	6,978
<b>Other financial liabilities</b>	<b>22</b>	<b>23</b>
Item 20 (partial) - Financial liabilities held for trading - Debt securities	-	-
Item 20 (partial) - Financial liabilities held for trading - Derivative instruments	11	7
Item 30 (partial) - Financial liabilities measured at fair value - Debt securities	-	1
Item 40 - Hedging derivatives	11	15
<b>Provisions (Risks, expenses and personnel)</b>	<b>519</b>	<b>487</b>
Item 90 - Provision for severance indemnity	74	80
Item 100 - Provisions for risks and charges	445	407
<b>Tax liabilities</b>	<b>83</b>	<b>57</b>
Item 60 - Tax liabilities	83	57
<b>Other liability items</b>	<b>3,802</b>	<b>2,512</b>
Item 50 - Adjustment of financial liabilities subject to macro-hedging	-	-
Item 70 - Liabilities associated with assets held for disposal	-	-
Item 80 - Other liabilities	3,802	2,512
Item 110 - Insurance liabilities (technical reserves)	-	-
<b>Total liabilities</b>	<b>80,841</b>	<b>77,657</b>
<b>Minority interests</b>	<b>-</b>	<b>-</b>
Item 190 - Minority interests (+/-)	-	-
<b>Group's equity</b>	<b>9,870</b>	<b>9,380</b>
Item 120 - Valuation reserves	116	66
Item 130 - Repayable shares	-	-
Item 140 - Equity instruments	1	1
Item 150 - Reserves	8,672	7,663
Item 160 - Share premium	79	78
Item 170 - Equity	1,281	1,272
Item 180 - Own shares (-)	(869)	(868)
Item 200 - Profit (loss) for the year (+/-)	590	1,168
<b>Consolidated equity</b>	<b>9,870</b>	<b>9,380</b>
<b>Total liabilities and equity</b>	<b>90,711</b>	<b>87,037</b>

## Total customer funding

(Figures in millions of euro)	30/06/2025	% impact	31/12/2024	Change	% change
Current accounts and deposits on demand	59,742	79.1%	59,661	81	0.1%
Fixed-term deposits	4,698	6.2%	4,136	562	13.6%
Repos and securities lending	3,029	4.0%	1,651	1,378	83.5%
Bonds	1,087	1.4%	1,021	66	6.5%
Other funding	6,924	9.2%	6,818	106	1.6%
- of which: Certificates of deposit	5,958	7.9%	5,957	1	0.0%
<b>Direct funding</b>	<b>75,480</b>	<b>100.0%</b>	<b>73,287</b>	<b>2,193</b>	<b>3.0%</b>

The total amount of direct funding from customers of the Cassa Centrale Group was EUR 75.5 billion, for an increase of 3.0% (EUR +2.2 billion) compared to 31 December 2024. The analysis of direct funding shows a prevalence of short-term funding from customers, represented by current accounts and deposits on demand, equal to EUR 59.7 billion, slightly up compared to December 2024 (+0.1%).

Fixed-term funding, in the form of deposits, repos and bonds, amounted to EUR 8.8 billion, equal to 11.7% of total direct funding volumes, up during the six-month period (EUR +2.0 billion). At June 2025, repos include refinancing transactions on the market with the counterparty Euronext Clearing for a total of EUR 2.7 billion (compared to EUR 1.4 million in December 2024). The Bonds item the Group's eligible MREL issue, for a nominal value of EUR 700 million.

The "Other funding" component, which recorded an increase during the first half of 2025 of EUR 106 million, reaching EUR 6.9 billion, is mainly represented by certificates of deposit.

(Figures in millions of euro)	30/06/2025	% impact	31/12/2024	Change	% change
<b>Assets under management</b>	<b>30,133</b>	<b>58.7%</b>	<b>28,169</b>	<b>1,964</b>	<b>7.0%</b>
Mutual funds and SICAVs	9,912	19.3%	9,215	697	7.6%
Asset management	11,633	22.7%	10,638	995	9.4%
Banking-insurance products	8,588	16.7%	8,316	272	3.3%
<b>Assets under administration</b>	<b>21,200</b>	<b>41.3%</b>	<b>20,908</b>	<b>292</b>	<b>1.4%</b>
Bonds	18,156	35.4%	18,059	97	0.5%
Shares	3,044	5.9%	2,849	195	6.8%
<b>Indirect funding *</b>	<b>51,333</b>	<b>100.0%</b>	<b>49,077</b>	<b>2,256</b>	<b>4.6%</b>

\* Indirect funding is expressed at market values.

Indirect funding of the Cassa Centrale Group, valued on the market, amounted to EUR 51.3 billion in June 2025 (+4.6% compared to December 2024).

Assets under management, valued on the market, stood at EUR 30.1 billion, an increase on the comparative period (+7.0%). The incidence of the AUM segment on total indirect funding is 59%, a further increase compared to the end of the previous year. The Bancassurance segment, life, investments and pensions continued the growth trend of traded volumes (+3.3% compared to the end of 2024).

Assets under administration amounted to EUR 21.2 billion in June 2025, up by 1.4% compared to December 2024, mainly driven by equity (+6.8%); the bond sector, on the other hand, saw more moderate growth (+0.5%).

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

## Percentage composition of funding

PERCENTAGE COMPOSITION OF FUNDING	30/06/2025	31/12/2024
Direct funding	59.5%	59.9%
Indirect funding	40.5%	40.1%

The Group's total funding, consisting of total assets under administration on behalf of customers, amounted to approximately EUR 127 billion as at 30 June 2025 and consisted of 59.5% of direct funding with the remaining 40.5% represented by indirect funding. The managed assets component accounts for 24% of total volumes.

## Net loans to customers

(Figures in millions of euro)	30/06/2025	% impact	31/12/2024	Change	% change
<b>Loans at amortised cost</b>	<b>49,594</b>	<b>99.8%</b>	<b>48,519</b>	<b>1,075</b>	<b>2.2%</b>
Mortgage loans	39,058	78.6%	38,410	648	1.7%
of which adjustment for macro-hedging	(71)	(0.1%)	(57)	(14)	24.6%
Current accounts	3,760	7.6%	3,653	107	2.9%
Other loans	4,197	8.5%	3,961	236	6.0%
Finance leases	903	1.8%	900	3	0.3%
Credit cards, personal loans and salary-backed loans	1,316	2.7%	1,253	63	5.0%
Impaired assets	360	0.7%	342	18	5.3%
<b>Loans at fair value</b>	<b>90</b>	<b>0.2%</b>	<b>95</b>	<b>(5)</b>	<b>(5.3%)</b>
<b>Total net loans to customers</b>	<b>49,684</b>	<b>100.0%</b>	<b>48,614</b>	<b>1,070</b>	<b>2.2%</b>

In June 2025 the Group's net loans to customers amounted to EUR 49.7 billion. Almost all of these are loans at amortised cost, amounting to EUR 49.6 billion, up (+2.2%) on December 2024. The aggregate consisted mainly of mortgages, which amounted to EUR 39.1 billion and accounted for 78.6% of total loans to customers, current accounts amounting to EUR 3.8 billion and other loans amounting to EUR 4.2 billion. There was a slight increase in impaired assets, which at June 2025 stood at EUR 360 million (EUR +18 million compared to the end of 2024).

## Credit quality

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

## Customer loans

(Figures in millions of euro)	30/06/2025			
	Gross exposure	Write-downs	Net exposure	Coverage
<b>Impaired exposures at amortised cost</b>	<b>1,766</b>	<b>(1,406)</b>	<b>360</b>	<b>79.6%</b>
Non-performing	532	(486)	46	91.4%
Unlikely to pay	1,149	(883)	266	76.9%
Overdue/past due	85	(37)	48	43.5%
- of which forborne	735	(620)	115	84.4%
<b>Performing exposures at amortised cost</b>	<b>49,913</b>	<b>(608)</b>	<b>49,305</b>	<b>1.2%</b>
- of which forborne	618	(52)	566	8.4%
<b>Total customer loans at amortised cost</b>	<b>51,679</b>	<b>(2,014)</b>	<b>49,665</b>	<b>3.9%</b>
<b>Adjustment of the assets subject to macro-hedging</b>	<b>(71)</b>	<b>-</b>	<b>(71)</b>	<b>0.0%</b>
<b>Impaired exposures at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Performing exposures at fair value</b>	<b>90</b>	<b>-</b>	<b>90</b>	<b>0.0%</b>
<b>Total customer loans</b>	<b>51,698</b>	<b>(2,014)</b>	<b>49,684</b>	<b>3.9%</b>

As at 30 June 2025, the Group had net loans to customers of EUR 49.7 billion, compared to a gross exposure of EUR 51.7 billion, and adjustment provisions totalling EUR 2 billion, allowing for an average portfolio coverage of 3.9%.

Net performing loans in June 2025, including the adjustment of assets subject to macro-hedging, amounted to EUR 49.3 billion and accounted for 99.3% of total loans, while net impaired loans, amounting to EUR 360 million, accounted for 0.7%. These ratios confirm the attention of the Cassa Centrale Group to the management of impaired loans.

The impaired loan portfolio, in terms of net exposure, had in June 2025 non-performing positions amounting to EUR 46 million, post value adjustments for a total of EUR 486 million, and unlikely to pay amounting to EUR 266 million post value adjustments of EUR 883 billion, and overdue/past due for EUR 48 million post adjustments for EUR 37 million. Within impaired exposures, which are transversal to the degree of risk, there are forborne exposures of EUR 115 million, equal to 0.2% of total loans, an increase of EUR 1 million compared to December 2024.

Performing loans in June 2025 amounted to EUR 49,305 million, post value adjustments for EUR 608 million, which determined coverage of performing loans of 1.2%, confirmed as among the most conservative at systemic level. The item includes forborne positions of which the net value of EUR 566 million (1.1% of net loans), with a coverage ratio of 8.4% (8.6% as at December 2024).

The provisions for performing loans, together with the significant coverage of non-performing and unlikely to pay positions, which stood at 91.4% and 76.9% respectively (compared to 92.6% and 78.2% in December 2024), represent a significant protection for the Group against credit risk.

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



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

The table below shows the main credit risk management indicators<sup>6</sup>.

RISK MANAGEMENT RATIOS	30/06/2025	31/12/2024	Change
NPL ratio	3.4%	3.5%	(0.1%)
NPL coverage	79.6%	80.9%	(1.3%)
Texas ratio	15.7%	16.6%	(0.9%)

The NPL ratio as at 30 June 2025 was down on the figure from December 2024, with a value of 3.4%. This value confirms the improvement in asset quality that the Cassa Centrale Group has pursued in recent years, with a progressive and constant decrease in the stock of impaired loans, in line with the guidelines issued by the Supervisory Authority.

The constant attention paid to the valuation of NPLs is also reflected in the level of coverage of bad loans, where the Group records a level of NPL coverage of 79.6%, a value much higher than the national and European average, despite the slight drop compared to the end of December 2024.

The active management of impaired loans and their progressive reduction is reflected positively in the Group's Texas ratio, which in June 2025 stood at 15.7% (16.6% at the end of 2024).

<sup>6</sup> The indices – NPL ratio, NPL Coverage and Texas ratio (which, as its numerator, considers gross impaired loans) – were calculated based on the EBA data model (EBA methodological guidance on risk indicators, last updated in October 2021).

## Breakdown of the loan portfolio by sector of economic activity

(figures in millions of euro)	30/06/2025			31/12/2024		
	Gross exposure	Value adjustments	Net exposure	Gross exposure	Value adjustments	Net exposure
Central Governments	296	(2)	294	291	(3)	288
Financial and insurance companies	890	(9)	881	714	(10)	704
Non-financial corporations	23,898	(1,307)	22,591	23,701	(1,364)	22,337
Consumer households and other non-classifiable businesses	26,614	(696)	25,918	25,989	(704)	25,285
<b>Total</b>	<b>51,698</b>	<b>(2,014)</b>	<b>49,684</b>	<b>50,695</b>	<b>(2,081)</b>	<b>48,614</b>

From the representation of the loan portfolio by sector of economic activity, it is clear that the Cassa Centrale Group, reflecting the cooperative nature of the Affiliated Banks, has a prevalent allocation of loans to customers with counterparties represented by consumer households and non-financial companies, which account for 51.5% and 46.2% of net exposures to customers, respectively. During the first half of the year, the increase in loans to consumer households and other non-classifiable businesses (+2.5%) was greater than the increase in loans to non-financial companies (+1.1%). Value adjustments as at 30 June 2025 result in coverage of 2.6% on consumer households and other non-classifiable businesses and 5.5% on non-financial companies, on both sectors slightly decreasing compared to 31 December 2024, also depending on the growth rate of loans to customers.

## Composition of financial instruments

(Figures in millions of euro)	30/06/2025	31/12/2024	Change	% change
<b>SECURITIES PORTFOLIO</b>				
Trading book assets (FVTPL)	153	141	12	8.5%
Financial liabilities measured at FV	-	(1)	1	(100.0%)
Banking book assets (FVOCI)	11,170	9,899	1,271	12.8%
Financial fixed assets excluding loans (AC)	23,802	22,219	1,583	7.1%
<b>Total securities portfolio</b>	<b>35,125</b>	<b>32,258</b>	<b>2,867</b>	<b>8.9%</b>
<b>DERIVATIVES PORTFOLIO</b>				
Trading assets (FVTPL)	5	6	(1)	(16.7%)
Trading liabilities (FVTPL)	(11)	(7)	(4)	57.1%
<b>Total derivatives portfolio</b>	<b>(6)</b>	<b>(1)</b>	<b>(5)</b>	<b>n.s.</b>
<b>TOTAL FINANCIAL INSTRUMENTS</b>	<b>35,119</b>	<b>32,257</b>	<b>2,862</b>	<b>8.9%</b>

As at 30 June 2025, the Group's proprietary portfolio stood at EUR 35.1 billion, an increase compared to December 2024 (EUR +2.9 billion).

Generally speaking, there was an increase in all segments. Specifically, financial assets measured at amortised cost (EUR 23.8 billion) showed a EUR 1.6 billion increase compared to 31 December 2024, while banking book assets (FVOCI) rose EUR 1.3 billion to around EUR 11.2 billion.

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

## Financial assets

(Figures in millions of euro)	30/06/2025	31/12/2024	Change	% change
<b>Debt securities</b>	<b>34,804</b>	<b>31,968</b>	<b>2,836</b>	<b>8.9%</b>
- Obligorily measured at fair value (FVTPL)	8	7	1	14.3%
- Measured at fair value through other comprehensive income (FVOCI)	10,994	9,742	1,252	12.9%
- Measured at amortised cost (AC)	23,802	22,219	1,583	7.1%
<b>Equities</b>	<b>191</b>	<b>176</b>	<b>15</b>	<b>8.5%</b>
- Obligorily measured at fair value (FVTPL)	15	19	(4)	(21.1%)
- Measured at fair value through other comprehensive income (FVOCI)	176	157	19	12.1%
<b>UCITS units</b>	<b>130</b>	<b>115</b>	<b>15</b>	<b>13.0%</b>
- Obligorily measured at fair value (FVTPL)	130	115	15	13.0%
<b>Total financial assets</b>	<b>35,125</b>	<b>32,259</b>	<b>2,866</b>	<b>8.9%</b>

At 30 June 2025, the Group's financial assets, excluding the derivatives component, were nearly entirely formed of debt securities (99.1%). The latter are mainly government securities of euro area countries or supranational issuers.

## Net loans to the banking system: net financial position

(Figures in millions of euro)	30/06/2025	31/12/2024	Change	% change
Net loans to central banks	590	642	(52)	(8.1%)
Net loans to other banks	236	136	100	73.5%
<i>Current accounts and deposits on demand</i>	102	103	(1)	(1.0%)
<i>Fixed-term deposits</i>	18	14	4	28.6%
<i>Repos</i>	102	-	102	100.0%
<i>Other loans</i>	14	19	(5)	(26.3%)
<b>Total loans (A)</b>	<b>826</b>	<b>778</b>	<b>48</b>	<b>6.2%</b>
Due to central banks	(100)	(385)	285	(74.0%)
Due to other banks	(835)	(906)	71	(7.8%)
<i>Current accounts and deposits on demand</i>	(238)	(245)	7	(2.9%)
<i>Fixed-term deposits</i>	(38)	(39)	1	(2.6%)
<i>Repos</i>	(546)	(609)	63	(10.3%)
<i>Other loans</i>	(13)	(13)	-	0.0%
<b>Total payables (B)</b>	<b>(935)</b>	<b>(1,291)</b>	<b>356</b>	<b>(27.6%)</b>
<b>NET FINANCIAL POSITION (A-B)</b>	<b>(109)</b>	<b>(513)</b>	<b>404</b>	<b>(78.8%)</b>

In June 2025, total loans to banks amounted to EUR 826 million, an increase compared to the end of the previous year (EUR +48 million). The increase is driven by repos receivables with banking counterparties, which were not present at the end of 2024. Interbank funding of EUR 935 million decreased (EUR -356 million) compared to 31 December 2024, due to the further reduction in central bank funding.

## Fixed assets

(Figures in millions of euro)	30/06/2025	31/12/2024	Change	% change
Equity investments	50	54	(4)	(7.4%)
Goodwill	27	27	-	0.0%
Tangible	1,254	1,242	12	1.0%
Intangible	85	81	4	4.9%
<b>Total fixed assets</b>	<b>1,416</b>	<b>1,404</b>	<b>12</b>	<b>0.9%</b>

Fixed assets as at 30 June 2025 amounted to EUR 1.4 billion (+0.9% compared to December 2024) and mainly consist of real estate for functional use. Other intangible assets are mainly represented by user licenses and software, while goodwill refers to assets with an indefinite useful life included in intangible assets, as detailed in part B of the consolidated Explanatory Notes.

## Consolidated equity

(Figures in millions of euro)	30/06/2025	31/12/2024	Change	% change
Share Capital	1,281	1,272	9	0.7%
Own shares (-)	(869)	(868)	(1)	0.1%
Share premium	79	78	1	1.3%
Reserves	8,672	7,663	1,009	13.2%
Valuation reserves	116	66	50	75.8%
Equity instruments	1	1	-	0.0%
Profit (loss) for the year	590	1,168	(578)	(49.5%)
<b>Group's equity</b>	<b>9,870</b>	<b>9,380</b>	<b>490</b>	<b>5.2%</b>
<b>Consolidated equity</b>	<b>9,870</b>	<b>9,380</b>	<b>490</b>	<b>5.2%</b>

## 4.3 - Economic results

### Reclassified income statement<sup>7</sup>

(Figures in millions of euro)	30/06/2025	30/06/2024	Change	% change
<b>Net interest income</b>	<b>1,159</b>	<b>1,235</b>	<b>(76)</b>	<b>(6.2%)</b>
Net fees and commissions	423	397	26	6.5%
Dividends	4	3	1	33.3%
Net result on financial assets and liabilities in portfolio *	(4)	(118)	114	(96.6%)
<b>Net interest and other banking income</b>	<b>1,582</b>	<b>1,517</b>	<b>65</b>	<b>4.3%</b>
Net value adjustments/write-backs	39	35	4	11.4%
<b>Income from financial activities</b>	<b>1,621</b>	<b>1,552</b>	<b>69</b>	<b>4.4%</b>
Operating expenses **	(1,042)	(976)	(66)	6.8%
Net allocations to provisions for risks and expenses	9	14	(5)	(35.7%)
Other income (expenses)	110	97	13	13.4%
Profit (loss) from disposal of investments and equity investments	-	(2)	2	(100.0%)
<b>Gross current result</b>	<b>698</b>	<b>685</b>	<b>13</b>	<b>1.9%</b>
Income tax	(108)	(108)	-	0.0%
<b>Net income of the Parent Company</b>	<b>590</b>	<b>577</b>	<b>13</b>	<b>2.3%</b>

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

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

As at 30 June 2025, the net interest and other banking income of the Cassa Centrale Group stood at EUR 1.6 billion, up by EUR 65 million compared to June 2024. The Group's margins mainly reflect: the return on the loan portfolio, influenced by the trend in market rates on the yield of the loan portfolio; the increasing return on the proprietary securities portfolio; the continued diversification of revenues through the development of net fees and commissions, which amounted to EUR 423 million, an increase of EUR 26 million (+6.5%) compared to the first half of 2024.

The net result on financial assets and liabilities in portfolio was negative by EUR -4 million.

In June 2025, write-backs totalled EUR 39 million, mainly due to the Group's active management of impaired loans. Nevertheless, the coverage of impaired loans remains high and stood at 79.6% as at 30 June 2025.

The change in operating expenses, up on the same period in 2024 (+6.8%), reflected the gradual implementation of the Strategic Plan 2025-2027 initiatives, which envisage investments in ICT and Security and new staff hiring.

Profit before tax amounted to EUR 698 million, up on the previous financial year (+1.9%), with the net profit pertaining to the Parent Company standing at EUR 590 million.

<sup>7</sup> In order to provide a better management representation of the results, the reclassified income data differ from the layouts of the financial statements envisaged by Bank of Italy Circular no. 262 of 2005, 8<sup>th</sup> Update.

## Reconciliation of consolidated income statement and reclassified income statement

(Figures in millions of euro)	30/06/2025	30/06/2024
<b>Net interest income</b>	<b>1,159</b>	<b>1,235</b>
Item 30 - Net interest income	1,159	1,235
<b>Net fees and commissions</b>	<b>423</b>	<b>397</b>
Item 60 - Net fees and commissions	423	397
<b>Dividends</b>	<b>4</b>	<b>3</b>
Item 70 - Dividend and similar income	4	3
<b>Net result on financial assets and liabilities in portfolio</b>	<b>(4)</b>	<b>(118)</b>
Item 80 - Net result from trading	3	9
Item 90 - Net result from hedging	(1)	-
Item 100 - Profit (loss) from disposal/repurchase of financial assets and liabilities	(9)	(129)
Item 110 - Net result on other financial assets and liabilities measured at fair value through profit or loss	3	2
<b>Net interest and other banking income</b>	<b>1,582</b>	<b>1,517</b>
Item 120 - Net interest and other banking income	1,582	1,517
<b>Net value adjustments/write-backs</b>	<b>39</b>	<b>35</b>
Item 130 - Net value adjustments/write-backs due to credit risk	39	36
Item 140 - Profit/loss from contractual changes without derecognitions	-	(1)
<b>Income from financial activities</b>	<b>1,621</b>	<b>1,552</b>
Item 150 - Net income from financial activities	1,621	1,552
<b>Operating expenses</b>	<b>(1,042)</b>	<b>(976)</b>
Item 160 - Result of insurance services	-	-
Item 170 - Balance of revenues and financial costs relating to insurance management	-	-
Item 190a) - Administrative expenses - Staff expenses	(573)	(526)
Item 190b) - Administrative expenses - Other administrative expenses	(395)	(389)
Item 210 - Net value adjustments/write-backs to tangible assets	(62)	(53)
Item 220 - Net value adjustments/write-backs to intangible assets	(12)	(8)
<b>Net allocations to provisions for risks and expenses</b>	<b>9</b>	<b>14</b>
Item 200 - Net allocations to provisions for risks and expenses	9	14
<b>Other income (expenses)</b>	<b>110</b>	<b>97</b>
Item 230 - Other operating expenses/income	110	97
<b>Value adjustments to goodwill and other intangible assets</b>	<b>-</b>	<b>-</b>
Item 270 - Value adjustments to goodwill	-	-
<b>Profit (loss) from disposal of investments and equity investments</b>	<b>-</b>	<b>(2)</b>
Item 250 - Profit (loss) on equity investments	-	(3)
Item 260 - Net result of fair value measurement of tangible and intangible assets	-	-
Item 280 - Profit (loss) from disposal of investments	-	1
<b>Gross current result</b>	<b>698</b>	<b>685</b>

(Figures in millions of euro)	30/06/2025	30/06/2024
Item 290 - Profit (loss) before tax from current operating activities	698	685
<b>Income tax</b>	<b>(108)</b>	<b>(108)</b>
Item 300 - Income taxes for the year on current operating activities	(108)	(108)
<b>Profit (loss) from discontinued operations</b>	<b>-</b>	<b>-</b>
Item 320 - Profit (loss) after tax from discontinued operations	-	-
<b>Profit (loss) for the year for minority interests</b>	<b>-</b>	<b>-</b>
Item 340 - Profit (loss) for the year for minority interests	-	-
<b>Net income of the Parent Company</b>	<b>590</b>	<b>577</b>
Item 350 - Profit (loss) for the Parent Company	590	577

## Net interest income

(Figures in millions of euro)	30/06/2025	30/06/2024	Change	% change
Financial assets measured at amortised cost not comprising loans	335	307	28	9.1%
Other financial assets and liabilities measured at FVTPL	-	1	(1)	(100.0%)
Other financial assets measured at FVOCI	156	162	(6)	(3.7%)
<b>Financial instruments</b>	<b>491</b>	<b>470</b>	<b>21</b>	<b>4.5%</b>
Net interest to customers (loans)	724	847	(123)	(14.5%)
Debt securities in issue	(102)	(99)	(3)	3.0%
<b>Customer relations</b>	<b>622</b>	<b>748</b>	<b>(126)</b>	<b>(16.8%)</b>
<b>Net interest to banks</b>	<b>(9)</b>	<b>(43)</b>	<b>34</b>	<b>(79.1%)</b>
<b>Differentials on hedging derivatives</b>	<b>6</b>	<b>11</b>	<b>(5)</b>	<b>(45.5%)</b>
<b>Other net interest</b>	<b>49</b>	<b>49</b>	<b>-</b>	<b>0.0%</b>
<b>Total net interest income</b>	<b>1,159</b>	<b>1,235</b>	<b>(76)</b>	<b>(6.2%)</b>

The net interest income as at 30 June 2025 stood at nearly EUR 1.2 billion, posting a decrease of -6.2% (EUR -76 million) compared to the same period in the previous year.

This trend is linked primarily to the contribution of lending, totalling EUR 622 million (EUR -126 million compared to June 2024). Financial instruments also made a significant contribution of EUR 491 million (EUR +21 million compared to the same period in the previous year). In the interbank sector, negative net interest was recorded of EUR 9 million.

## Net fees and commissions

(Figures in millions of euro)	30/06/2025	30/06/2024	Change	% change
<b>Fees and commissions income</b>	<b>502</b>	<b>478</b>	<b>24</b>	<b>5.0%</b>
Financial instruments	81	80	1	1.3%
Management of collective portfolios	45	40	5	12.5%
Custody and administration	3	3	-	0.0%
Payment services	227	215	12	5.6%
Breakdown of third party services	56	51	5	9.8%
Financial guarantees given	9	8	1	12.5%
Financing transactions	62	60	2	3.3%
Foreign currency trading	1	1	-	0.0%
Other fees and commissions income	18	20	(2)	(10.0%)
<b>Fees and commissions expenses</b>	<b>(79)</b>	<b>(81)</b>	<b>2</b>	<b>(2.5%)</b>
Financial instruments	(8)	(12)	4	(33.3%)
Custody and administration	(8)	(9)	1	(11.1%)
Collection and payment services	(51)	(48)	(3)	6.3%
Out-of-branch offer of financial instruments, products and services	(4)	(4)	-	0.0%
Other fees and commissions expenses	(8)	(8)	-	0.0%
<b>Total net fees and commissions</b>	<b>423</b>	<b>397</b>	<b>26</b>	<b>6.5%</b>

Net fees and commissions as at 30 June 2025 stood at EUR 423 million, a +6.5% increase on the same period in the previous year, in line with the Group's strategy to develop this revenue item.

The comparison with the first half of 2024 shows an increasing contribution of all sectors, mainly driven by growth in Wealth Management volumes and the incisive Strategic Plan initiatives in Bancassurance.

## Net result from financial operations

(Figures in millions of euro)	30/06/2025	30/06/2024	Change	% change
Net result from trading	3	9	(6)	(66.7%)
- Derivative instruments	(10)	7	(17)	n.s.
- Other	13	2	11	n.s.
Net income from the sale of financial assets and liabilities	(9)	(129)	120	(93.0%)
Net result from hedging	(1)	-	(1)	100.0%
Dividend and similar income	4	3	1	33.3%
Net result on other financial assets and liabilities measured at fair value through profit or loss	3	2	1	50.0%
<b>Total net result from financial operations</b>	<b>-</b>	<b>(115)</b>	<b>115</b>	<b>(100.0%)</b>

The net result from financial operations, as at June 2025, is non-material due to the offsetting of the main components. Of particular note is the significant reduction in the net income from the sale of financial assets and liabilities due to the marginal repositioning of the securities portfolio, compared to the first half of 2024.



## Net value adjustments/write-backs to financial assets

(Figures in millions of euro)	30/06/2025	30/06/2024	Change	% change
Loans to customers	40	35	5	14.3%
- of which write-offs	(3)	(1)	(2)	n.s.
Loans to banks	(1)	1	(2)	n.s.
OCI debt securities	-	-	-	
Contractual changes without derecognitions	-	(1)	1	(100.0%)
<b>(Net value adjustments)/write-backs</b>	<b>39</b>	<b>35</b>	<b>4</b>	<b>11.4%</b>

As at June 2025, net write-backs totalling EUR 39 million were recorded, as a result of the effective active management of impaired loans by the Affiliated Banks in implementation of their strategy of continuous customer support. Nevertheless, the Group's average coverage on impaired loans remained high at 79.6%, as proof of the Group's close attention to monitoring credit risk.

## Operating costs

(Figures in millions of euro)	30/06/2025	30/06/2024	Change	% change
Administrative expenses	(968)	(915)	(53)	5.8%
- staff expenses	(573)	(526)	(47)	8.9%
- other administrative expenses	(395)	(389)	(6)	1.5%
Operating amortisation/depreciation	(74)	(61)	(13)	21.3%
<b>Total operating expenses</b>	<b>(1,042)</b>	<b>(976)</b>	<b>(66)</b>	<b>6.8%</b>
Net allocation to provisions for risks and expenses	9	14	(5)	(35.7%)
- of which on commitments and guarantees	2	9	(7)	(77.8%)
Other operating expenses/income	110	97	13	13.4%
<b>Total operating costs</b>	<b>(923)</b>	<b>(865)</b>	<b>(58)</b>	<b>6.7%</b>

Operating costs amounted to EUR 923 million, up by EUR 58 million (+6.7%) compared to June 2024.

Staff expenses of EUR 573 million increased by EUR 47 million compared to the same period in the previous year. The increase is mainly attributable to the items "Salaries and wages" and "Social security contributions" (totalling EUR +37 million), which incorporate the adjustments to the changed economic conditions, as of 1 July 2024, envisaged by the new National Collective Labour Agreement (CCNL) for cooperative credit employees and new staff hires made during the six months.

Overall, the Group recorded a moderate increase in other administrative expenses of EUR 6 million compared to the comparison period.

Operating amortisation/depreciation, amounting to EUR 74 million, was higher than the figure from the first half of 2024 (+21.3%), while other operating expenses/income amounted to EUR 110 million, up on June 2024 (+13.4%).

As at June 2025, the overall Cost/Income, calculated as the ratio of operating costs to net interest and other banking income, was 58%, broadly in line with the level in the first half of 2024.

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

(Figures in millions of euro)	Equity	Result for the period
Accounting balances of the Parent Company	1,238	40
Effect of the consolidation of subsidiaries	8,562	603
Effect of the measurement of associates using the equity method	51	-
Reversal of write-downs of equity investments and recognition of goodwill impairment	(27)	-
Elimination of dividends received from subsidiaries and associates		(58)
Other consolidation adjustments	46	5
<b>Balances as per the consolidated financial statements</b>	<b>9,870</b>	<b>590</b>

## 4.5 - Own funds and capital adequacy

### Own funds and capital ratios

OWN FUNDS AND CAPITAL RATIOS	30/06/2025	31/12/2024
Common Equity Tier 1 capital - CET 1	9,019	9,087
Tier 1 capital - TIER 1	9,020	9,088
Total own funds - Total Capital	9,020	9,088
Total risk-weighted assets	33,034	33,887
CET 1 Capital ratio (Common equity Tier 1 capital/Total risk-weighted assets)	27.30%	26.82%
Tier 1 Capital ratio (Tier 1 capital/Total risk-weighted assets)	27.30%	26.82%
Total Capital Ratio (Total own funds / Total risk-weighted assets)	27.30%	26.82%

### Risk Weighted Assets

(Figures in millions of euro)	30/06/2025	31/12/2024	Change	% change
Credit and counterparty risk	27,226	27,613	(387)	(1.4%)
Credit valuation adjustment risk	71	43	28	65.1%
Market risk	134	154	(20)	(12.9%)
Operational risk	5,603	6,077	(474)	(7.8%)
<b>Total RWA</b>	<b>33,034</b>	<b>33,887</b>	<b>(853)</b>	<b>(2.5%)</b>

Own funds, risk-weighted assets and solvency ratios at 30 June 2025 were determined on the basis of the prudential regulations applied to investment banks and companies and contained in Directive 2013/36/EU (CRD IV) and in Regulation (EU) 575/2013 (CRR) of 26 June 2013, as amended.

It should be noted that, with effect from the reporting of the first quarter of 2025, the provisions of Regulation (EU) 2024/1623 (the CRR III) and in Directive 2024/1619 (the CRD VI) have been applied, with which the prudential principles known as "Basel IV" were transposed into European law. The new regulatory framework introduced significant changes to capital requirements for credit risk, operational risk and Credit Valuation Adjustment (CVA).

The Basel IV reform project involved a major overhaul of the prudential framework. In order to cope effectively with the changes introduced by the new regulatory framework, the Group launched a special adaptation project in recent months, which has enabled the implementation of the necessary measures to transpose the new regulations.

### Own funds

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

As permitted by Regulation (EU) 2024/1623, published in the Official Journal of the European Union on 9 July 2024, from the third quarter of 2024, the quantification of these balance sheet aggregates, having adopted the option of the sterilisation of unrealised profits and losses on government securities in the FVOCI portfolio, the Group has taken into account the relevant effects on CET 1.

The aforementioned filter enables sterilisation of unrealised profits and losses accrued from 31/12/2019 on government securities and similar instruments classified in the FVOCI portfolio. Adjustment of the CET 1 in relation to this component is applicable for the period from 30/09/2024 to 31/12/2025 and involves re-inclusion in CET 1 of unrealised components at 100% for each of the 2 years of the transition period.

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

On 31 December 2024, the application of the IFRS9 transitional regime ended, with impacts on the Group's own funds and RWA; therefore, on 30 June 2025 they reflect the full application of this accounting standard.

At 30 June 2025, in line with previous periods, own funds also took account of the deduction made following the authorisation received from the ECB to reduce own funds instruments for a predefined amount through the repurchase or repayment of Common Equity Tier 1 capital instruments.

Own funds also took account of the applicable amount, subject to deduction from CET 1, correlated to the minimum loss coverage on impaired exposures (known as MLC), on the basis of the provisions of Regulation (EU) no. 680/2019.

At 30 June 2025, the CET 1, determined in accordance with the aforementioned standards and references, stood at EUR 9,019 million. Tier 1 amounted to EUR 9,020 million.

Own funds therefore amounted to EUR 9,020 million. Of the latter, CET 1, which nearly accounts for the total (99.99 % of the total), has decreased compared to the end of 2024 by a total of EUR -68 million (- 0.75%) due to the algebraic sum of the performance of several of its constituent main items. In particular:

- the higher deduction deriving from the effects of the application of the transitional regimes (EUR -107.2 million) related to: the end of the application of the IFRS9 transitional regime (EUR -67.1 million) and the increase in the deduction related to unrealised gains and losses on government securities classified in the FVOCI securities portfolio (EUR -40.1 million);
- the increase in OCI reserves (EUR +49.9 million);
- the reduction in the reserves of undistributed profits (EUR -12.7 million);
- changes in other items of CET 1 were marginal.

With reference to the other two Own Fund aggregates, the Additional Tier 1 and Additional Tier 2 components recorded no changes in the period compared to 31 December 2024.

### Risk-weighted assets

Risk-weighted assets at 30 June 2025 amounted to EUR 33,034 million, down 2.52% or EUR 853 million compared to the figure as at 31 December 2024 (EUR 33,887 million).

With regard to **credit risk**, the revision of the standardised approach introduced as part of the implementation of the Basel IV framework has had a significant impact on both the determination of risk-weighted assets and the reporting representation. In particular, the main changes affecting the Group are attributable to the following aspects:

- reformulation of the portfolio of Exposures Backed by Mortgages on Real Estate and ADC (formerly Exposures Backed by Mortgages on Real Estate) and Exposures to Companies;
- elimination of the portfolio of High-Risk Exposures;
- introduction of the new portfolio of Subordinated Debt Exposures, which includes not only subordinated instrument credit exposures, but also those related to MREL eligible liabilities;
- adoption of the Standardised Credit Risk Assessment (SCRA) methodology for unrated entities, within the Exposures to Entities portfolio;
- introduction of a specific treatment in the Exposure to Companies portfolio of the Specialised Loans category including project, object and commodities finance;
- reshaping the portfolio of Equity Instrument Exposures in order to: (i) increase the risk sensitivity of the portfolio; (ii) foster comparability between banks; (iii) determine more clearly the segmentation therein;
- update of the eligibility criteria for real estate collateral for Credit Risk Mitigation (CRM) purposes;
- updating the scope and Credit Conversion Factors (CCFs) for off-balance sheet exposures.

Among the regulatory changes introduced, the portfolio of “Exposures backed by mortgages on real estate and ADC” is the most impacted. This now includes:

- exposures related to loans for the acquisition, development and construction (ADC) of real estate initiatives, which constitute a new sub-segment within the portfolio;
- exposures backed by real estate mortgages, including those where the collateral is not eligible for Credit Risk Mitigation (CRM), broken down as follows:
  - IPRE (Income Producing Real Estate): exposures where the repayment streams depend predominantly on the earning capacity of the real estate pledged as collateral;
  - non-IPRE: exposures whose repayment is instead based on the debtor’s independent creditworthiness.

For IPRE exposures, the new “Whole Splitting” calculation methodology, based on the Exposure to Value (ETV) ratio for exposures with an eligible mortgage, was introduced alongside the existing “Loan Splitting” methodology.

For non-IPRE exposures, risk weights are determined according to the type of real estate collateral (residential or commercial) and the portion hedged relative to the value of the property post regulatory haircut.

With reference to the changes introduced associated with the Entities portfolio, the new methodology introduced for entities without a rating is aimed at classifying them into three classes (A, B and C) on the basis of qualitative and quantitative information and assigning weighting factors for these exposures on the basis of additional exposure and counterparty characteristics, with a concomitant benefit in terms of risk weight for categories A and B in particular.

In the Equity Instruments portfolio, it should be noted that, also due to the transitional regimes envisaged, there was no significant impact in terms of RWA on first-time application.

In terms of ratings, Basel IV has brought benefits in terms of risk weights for the Entities and Companies portfolios. In particular:

- for Entities in class 2, on long-term exposures, the weighting decreased from 50% to 30%;
- for Companies in class 3, the weighting decreased from 100% to 75%.

The use of external ratings for the exposure classes Entities, Central Governments and Corporate is confirmed from the fourth quarter of 2022. As a reminder, the rating agencies adopted, broken down by segment, are:

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

Finally, a new criterion for the definition of SMEs was also introduced: the size parameter now refers exclusively to turnover (less than EUR 50 million), with impacts in terms of regulatory classification in the Corporate and Retail portfolios.

In the area of **operational risk**, the CRR3 reform introduced, in Articles 314 et seq., a new Standardised Approach (SA) for calculating capital requirements that replaced all pre-existing approaches. This approach is based on the Business Indicator (BI), a summary indicator derived from financial statement items and consisting of three components:

- Interest, Leases and Dividends (ILDC);
- Services (SC);
- Financial Transactions (FC).

The capital requirement is determined by applying multiplication factors (12%, 15%, 18%) to the average BI indicator of the last three years, with a progressive rate according to the BI threshold. In the case of the Group, the BI is composed of the ILDC (approximately 62%), the SC (31%), and the FC (approximately 8%).

Finally, with regard to the **Credit Valuation Adjustment (CVA)**, Regulation (EU) 2024/1623 introduced, in Articles 383 et seq., new methodologies for calculating capital requirements on OTC derivatives, aimed at improving risk management, transparency and comparability at European level.

In this context, the Group applied the Reduced Basic CVA methodology, pursuant to Article 384, paragraph 1 of the CRR3.

### Solvency ratios

As for the solvency ratios, the CET 1 capital ratio stood at 27.30% (26.82% in December 2024), the Tier 1 capital ratio was 27.30 % (26.82% in December 2024) and the total capital ratio was 27.30% (26.82% in December 2024). Excluding the effects of transitional regimes, with a view to full application of prudential provisions at the same reference date, fully loaded CET 1 capital amounted to EUR 9,088 million and the related fully loaded CET 1 capital ratio is 27.51%; fully loaded Tier 1 capital amounted to EUR 9,089 million and the related fully loaded Tier 1 capital ratio is 27.51%; and finally, Total capital fully loaded amounted to EUR 9,089 million and the related fully loaded Total Capital ratio was 27.51%.

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

Specifically, from 30 June 2025, the full coefficient of 1% is applied in line with the relevant regulatory provisions.

# 5. Main strategic business areas of the Cassa Centrale Group

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

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



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

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

## 5.1 - Affiliated Banks

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

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

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

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

## Loans to customers of Affiliated Banks

(figures in millions of euro)	30/06/2025					Total 30/06/2025	Total 31/12/2024	Change	% change
	Trentino- Alto Adige	North East	North West	Central	South and the Islands				
Gross customer loans	10,108	11,261	10,809	11,242	5,069	48,489	47,813	676	1.4%
of which performing	9,725	10,929	10,477	10,862	4,784	46,777	46,076	701	1.5%
of which non-performing	383	332	332	380	285	1,712	1,737	(25)	(1.4%)
Value adjustments	447	410	376	403	286	1,922	1,989	(67)	(3.4%)
Net customer loans	9,661	10,851	10,433	10,839	4,783	46,567	45,824	743	1.6%

Gross customer loans of the Affiliated Banks totalled EUR 48.5 billion as at 30 June 2025, up on the end of financial year 2024 (+1.4%).

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

In June 2025, performing loans of the Affiliated Banks saw an increase of EUR 701 million (+1.5%) compared to December 2024, distributed across all territorial areas. The extent of growth was moderate in the Trentino-Alto Adige and the South and the Islands areas (+0.1% and +0.3% respectively), while it was stronger in the North East (+2.8%), North West (+1.8%) and Central (+1.8%) areas.

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

In 2025, the active management of impaired loans continued in line with the Cassa Centrale Group's strategy, reducing total non-performing volumes (-1.4% compared to the figure at the end of December 2024). In general, the ratio of impaired loans to gross loans to customers fell 3.5%, compared to figures from the end of 2024, with a regional trend that varied from 2.9% in the North East area to 5.6% in the South and Islands.

In the presence of a decrease in the total stock of impaired loans, provisions on non-performing loans of the Affiliated Banks stood at 80%, down slightly from 81% at the end of 2024. The average coverage levels of the Affiliated Banks remain among the highest in the national banking system.

## Affiliated Banks funding

(Figures in millions of euro)	30/06/2025					Total 30/06/2025	Total 31/12/2024	Change	% change
	Trentino-Alto Adige	North East	North West	Central	South and the Islands				
Overall funding	26,471	25,020	28,071	23,284	9,916	112,762	109,502	3,260	3.0%
Direct funding	15,668	15,740	16,766	14,489	7,912	70,575	69,827	748	1.1%
Indirect funding*	10,803	9,280	11,305	8,795	2,004	42,187	39,675	2,512	6.3%
<i>of which administrated</i>	3,760	3,130	4,992	3,465	1,363	16,710	15,669	1,041	6.6%
<i>of which managed</i>	7,043	6,150	6,313	5,330	641	25,477	24,006	1,471	6.1%

\* Indirect funding is expressed at market values

Overall funding of the Affiliated Banks stood at EUR 112.8 billion as at 30 June 2025, +3.0% compared to the end of 2024, showing the ability to attract new funding.

Direct funding stood at EUR 70.6 billion, an increase of EUR 748 million (+1.1%) compared to 31 December 2024.

The increase in direct funding confirms the strategic objective of continued development of funding from households and businesses to ensure a growing supply of credit, while maintaining ample liquidity.

The distribution of direct funding across the territorial areas shows incidences in line with the territorial dynamics described above for loans to customers.

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

Total indirect funding of the Affiliated Banks grew to EUR 42.2 billion<sup>8</sup> (+6.3% year-on-year), driven by both indirect funding under administration and managed assets.

The impact of indirect funding on total funding is 37.4%, up compared to 36.2% at the end of 2024. The regional analysis shows that indirect funding as a percentage of total funding ranges from 40.8% in the Trentino-Alto Adige area to 37.1% in the North East. A lower incidence (20.2%) is recorded in the South and the Islands area.

Looking specifically at the breakdown of indirect funding, the managed assets and insurance segment accounts for 60.4% of total indirect funding.

The asset management, funds and SICAVs segment is still growing (+7.6%). The Bancassurance segment continued the trend of constant growth (+3.4% YoY).

Indirect funding from the managed segment remains a central objective for the Cassa Centrale Group, given the significant growth margins available to the Affiliated Banks compared to the rest of the banking industry, having historically favoured the placement of direct funding products in the past. The growth in this segment has been driven and accompanied by important investments in the specialist training of staff of the Affiliated Banks in order to increase their ability to offer Shareholders and customers a high level of advisory support. These investments, supported by the careful research of the Industrial Group's companies for products suitable for BCC-CR-RAIKAs' shareholders and customers, is gradually closing the gap with the system, while maintaining a high level of attention to the quality of the overall service offered to the savings customer.

<sup>8</sup> Indirect funding is expressed at market values.



## Margins and commissions of Affiliated Banks

(figures in millions of euro)	30/06/2025					Total 30/06/2025	Total 30/06/2024	Change	% change
	Trentino- Alto Adige	North East	North West	Central	South and the Islands				
Net interest income	252	233	229	225	133	1,072	1,186	(114)	(9.6%)
Net fees and commissions	67	78	87	81	37	350	334	16	4.8%
Net interest and other banking income	318	323	328	310	177	1,456	1,416	40	2.8%

The net interest income of the Affiliated Banks as at June 2025 totalled EUR 1.1 billion, a decrease compared to the same period of the previous year (-9.6%). The decrease is mainly due to the decreasing contribution of lending as a result of falling market rates. The contribution of the proprietary portfolio remained significant, also thanks to the repositioning of the portfolio carried out in the previous year. In the interbank sector, compared to June 2024, lower negative interest was recorded.

Overall, as a result of the above, the contribution of the net interest income to the overall profitability of the Affiliated Banks decreased to 74% of net interest and other banking income (compared to 84% at June 2024).

The net commissions of the Affiliated Banks totalled EUR 350 million in the first half of 2025, up +4.8% compared to the comparison period.

The commission margin contributes 24% on average to net interest and other banking income, with a regional incidence ranging from 27% in the North West to 21% in the South and the Islands and Trentino-Alto Adige areas.

The net interest and other banking income of the Affiliated Banks (+2.8% compared to the same period in the previous year) increased thanks to the continued diversification of revenues through the development of net fees and commissions the effect of the repositioning of the securities portfolio carried out in the previous year.

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

## 5.2 - Industrial Group

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

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

The main income statement and balance sheet aggregates of the Industrial Group as at 30 June 2025 are shown below.

## Loans to customers of the Industrial Group\*

(Figures in millions of euro)	Total 30/06/2025	Total 31/12/2024	Change	% change
Gross customer loans	3,209	2,882	327	11.3%
of which performing	3,155	2,825	330	11.7%
of which non-performing	54	57	(3)	(5.3%)
Value adjustments	92	92	-	0.0%
Net customer loans	3,117	2,790	327	11.7%

\* Management data including all intra-group eliminations.

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

As at 30 June 2025, gross loans to customers totalled approximately EUR 3.2 billion, up EUR 327 million on the end of the previous year (+11.3%). The loan portfolios of the Parent Company and Prestipay increased, while that of Claris Leasing remained substantially constant. It is noted that performing loans to customers include exposures in margins paid in cash and default funds to Euronext Clearing, in the context of market refinancing transactions in the form of repos.

Total gross allocations came to EUR 92 million, in line with the figure at the end of 2024.

As a result, net loans to customers of the Industrial Group grew by EUR 327 million compared to the end of 2024 (+11.7%), reaching approximately EUR 3.1 billion.

## Industrial Group funding\*

(Figures in millions of euro)	Total 30/06/2025	Total 31/12/2024	Change	% change
Overall funding	14,051	12,862	1,189	9.2%
Direct funding	4,905	3,460	1,445	41.8%
Indirect funding**	9,146	9,402	(256)	(2.7%)
of which administrated	4,490	5,239	(749)	(14.3%)
of which managed	4,656	4,163	493	11.8%

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

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

Total funding of the Industrial Group stands at approximately EUR 14.1 billion, almost entirely attributed to the Parent Company.

Direct funding of approximately EUR 4.9 billion was up on the EUR 3.5 billion at the end of 2024. This increase is mainly related to the increase in repos with Euronext Clearing.

Indirect funding amounted to EUR 9.1 billion and consisted of approximately EUR 4.7 billion (51% of total indirect funding) of assets under management, with operations mainly attributable to products linked to asset management, which grew steadily compared to the previous period. Assets under administration accounted for approximately 49% of indirect funding volumes, with operations mainly in the bond market, and amounted to EUR 4.5 billion – a decrease compared to 31 December 2024. The overall effect is a decline in indirect funding: assets under administration decreased (-14.3%), not offset by the growth in assets under management (+11.8%).

## Margins and commissions of the Industrial Group\*

(Figures in millions of euro)	Total 30/06/2025	Total 30/06/2024	Change	% change
Net interest income	87	49	38	77.6%
Net fees and commissions	73	63	10	15.9%
Net interest and other banking income	126	101	25	24.8%

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

Net interest and other banking income as at 30 June 2025 increased compared to the first half of 2024, to approximately EUR 126 million (+25%). The breakdown of the margin shows changes compared to the first half of 2024, with a higher proportion of net interest income compared to the commission margin.

In particular, the net interest income amounted to EUR 87 million, up on the EUR 49 million in the first half of 2024. Net fees and commissions totalled EUR 73 million, an increase of EUR 10 million compared to the same period in the previous year.

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

### 5.2.1 - Parent Company

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

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

#### 5.2.1.1 Finance

In the Finance sector, Cassa Centrale Banca offers its Affiliated Banks and client Banks a complete range of financial and bancassurance services and products, together with the development of advisory services and instruments.

The main products and services offered are:

- **Asset Management:** Cassa Centrale Banca's Asset Management closed the first half of 2025 with EUR 14.6 billion<sup>9</sup> in assets under management and 117 active accounts. Funding has been positively affected by the use of the PIP CASH option, which allowed the Affiliated Banks to offer – alongside the portfolio management service – remuneration of cash from time to time in the management account, and by a specific relaunch initiative dedicated to management lines invested in PIR (Individual Savings Plans). For the Affiliated Banks, the half-year closed with positive funding of EUR 564 million, despite high volatility during the spring due to trade and geopolitical tensions. The trend on the main financial markets in the first half of the year led to a consistent general improvement in the performance of management lines, with results growing progressively on the basis of the stock component of the portfolio. Portfolios remained oriented towards quality: on the bond front, the main investment was aimed at government bonds of developing countries and European

<sup>9</sup> The amount refers to Asset Management opened directly with Cassa Centrale Banca for approximately EUR 4.2 billion, Asset Management placed through Affiliated Banks and Customer Banks for approximately EUR 8.3 billion, Institutional Asset Management for approximately EUR 760 million and pension funds, for which Cassa Centrale Banca has delegated management powers for EUR 1.3 billion.

corporate investment-grade issues, while on the stocks front, the US and European markets characterise positions. As part of its decisions on investments referring to the portfolio management lines offered to customers, Cassa Centrale Banca adopts a series of measures in order to integrate and assess the risks and main negative effects on sustainability factors. These measures have made it possible to classify the management lines as financial products that promote, among other things, environmental or social characteristics or a combination of the two ("light green" financial products) and take into consideration the main negative effects on sustainability factors through the detection and monitoring of specific indicators linked to environmental and social issues.

- **Funds Partner:** the fund placement platform called Funds Partner is available to Affiliated Banks and includes the NEF Fund as well as third-party funds. This is a useful tool for advisors who can access a universe of around 3 thousand funds available through a platform on which Cassa Centrale Banca has activated a process of definition and maintenance of the list of funds that can be placed (funds with capitalisation of less than EUR 100 million and a track record of less than 3 years are excluded). The platform offers numerous tools, the reporting provided by the 14 investment houses. For the Affiliated Banks, assets placed up to the first half of 2025 amounted to around EUR 6 billion with regard to NEF and EUR 3.1 billion for third parties.
- **Certificates:** during the first half of 2025 placing activity for these instruments was consolidated, including through recourse to products with protected capital that enabled greater distribution across Affiliated Banks. Funding stood at EUR 25 million with 6 products placed.
- **Private Market instruments:** in 2024, Cassa Centrale Banca signed a distribution agreement with a specialised platform, aimed at the placement of private-market investment instruments (Alternative Investment Funds), which is a sector with notable growth. Cassa Centrale Banca is responsible for the selection of instruments to make available to the Affiliated Banks. The catalogue was expanded from the end of the first half of 2025.
- **Advanced Advisory services:** the advanced advisory service is provided to customers of 11 Banks. Cassa Centrale Banca supports these Banks as advisor in identifying the best investment strategies.

In the area of order receipt and transmission, in the first half of 2025 Cassa Centrale Banca executed transactions on bond markets for a countervalue of approximately EUR 23.7 billion (down by approximately 2% compared to the previous six months) and on equity markets for approximately EUR 2.5 billion (up by 2% compared to the previous six months). As regards activities as entity appointed to perform payments for UCITS and SICAVs, traded volumes increased by 5% to EUR 9.8 billion.

Participation in the **CCB#LIVE** webinar hosted on the digital platform Teams continued. The show discusses market trends, strategies on management lines, market views by Cassa Centrale Banca managers and NEF partner managers, and the analysis of funds and bancassurance products/services. The event is held fortnightly with an average participation of over 700 consultants from the Placement Banks. Particularly noteworthy was the participation of more than 1,300 consultants in the special edition organised for "Liberation Day" in April. The annual Roadshow organised by the Finance Department in cooperation with Assicura and its partner companies, called **Finance and Bancassurance Club**, which toured the cities of Trento, Padua, Udine, Milan, Cuneo, Bologna, Bari, Rome and Caltanissetta, also took place in the spring.

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

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

The consolidation and development of the investment services provision model continued. During 2024, the insurance check-up was released and will be further implemented in the first half of 2025 with the advanced version, in order to integrate the customer's insurance needs with financial planning requirements. Specific training initiatives were carried out to implement the changes in the networks of the Affiliated Banks. With reference to financial consulting, a number of operational and functional innovations were released in the first half of 2025, preparatory to the launch of the new advanced advisory platform.

### 5.2.1.2 Credit

The Credit Department oversees and coordinates the definition of credit policy guidelines, the granting and management of ordinary and subsidised credit and the evolution of the Group's lending processes, ensuring alignment to Group strategies and consistency with sustainable development objectives. It also guarantees specialised support to the Affiliated Banks and Group Companies in terms of corporate finance, maximising placement effectiveness and operational efficiency through the evolution of instruments, regulatory compliance, and the expansion of credit product offerings and risk mitigation tools.

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

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

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

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

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

Credit-policy Guidelines, which already lay down indications regarding assessment of the impacts of ESG risk factors, have been updated with reference to the year 2025 and integrated into the Group Policy on ESG aspects in relation to granting of loans, which contains: (i) criteria to be applied, with particular reference to the sectors with the highest level of climate and environmental risk, (ii) the characteristics of sustainable loans and (iii) the focus of the Cassa Centrale Group on specialised training in this area. Additionally, the Parent Company has established a competence centre dedicated to assessment of ESG aspects for credit transactions carried out by the Affiliated Banks of the Group.

In providing the newly originated loans the utmost attention is still paid to credit quality, product, geographical and above all dimensional diversification. In fact, the dimensional aspect is considered of fundamental importance and represents the cornerstone of the Group's credit product strategy. The logic of spreading the risk over a multitude of small recipients, which has always been the main component of the credit approach of the Affiliated Banks, has been strengthened with the introduction of risk thresholds and through an operational practice pursued in the day-to-day relationships between the Group's corporate structures and the Credit Departments of the individual Affiliated Banks. More space was also given to distributed products (leasing,

factoring, personal loans and salary-backed loans) due to their lower risk profile compared to similar banking transactions. With regard to the specific lending activities supported by the public guarantees system, new agreements were activated to allow for access to new forms of guarantee intended to incentivise the implementation of investments in line with the Taxonomy objectives and the development of businesses in strategic sectors for the national economy.

During the first half of 2025, the Cassa Centrale Group continued to play a leading role in the territories served by its Affiliated Banks in supporting households and small businesses engaged in the energy upgrading of buildings. With reference to acquisitions of tax credits from customers, a decrease was recorded compared to previous years, including as a result of regulatory measures implemented by the Government, which have introduced limitations on the Group's offsetting capacity and thus its tax capacity.

As regards subsidised credit, in the first half of 2025 Cassa Centrale Banca signed:

- a Memorandum of Understanding between *Agenzia Veneta per i Pagamenti in Agricoltura* (Veneto Agency for Payments in Agriculture - AVEPA), Cassa Centrale Banca and the main Group banks operating in the regional territory of Veneto for the prepayment, through a concessional loan, of the contributions intended for agricultural companies with the right to payment entitlements;
- a Cooperation Agreement between Finlombarda S.p.A. and the Cassa Centrale Group aimed at fostering the launch of initiatives and projects benefiting enterprises in the primary sector with a focus on sustainable investment programmes;
- an Agreement between Veneto Innovazione S.p.A., Cassa Centrale Banca and the Group's main Banks operating in the Veneto region, with reference to the Fondo Veneto Competitività – "Transition Section", which supports innovative programmes aimed at introducing technological product and process innovations, to modernise machinery and systems and to accompany company reorganisation and restructuring processes, including from the perspective of the promotion of digitalisation and reconversion of production activities towards a model of circular economy and sustainable development, and the Revolving Fund for the granting of subsidised loans to support the short- and medium-term credit needs of agricultural SMEs;
- a Partnership Agreement with SACE FCT, a factoring company of the SACE Group, aimed at facilitating access to exclusive services for the mobilisation of foreign contracts, obtaining interest rate subsidies and hedging against commercial and country risks, aimed at strengthening support to Companies for Export and Internationalisation;
- an Agreement with SACE for the use of the SACE Growth Guarantee, the new first demand public guarantee that replaces the previous SACE Futuro, SACE Green and SACE Archimede guarantees;
- an Agreement between the Autonomous Province of Trento and Casse Rurali Trentine aimed at granting subsidies to cover interest on loans for energy requalification work on homes in Trentino.

## Foreign

In the first half of the year, foreign operations were strongly influenced by international political events and, in particular, by the application of the new trade policy by the US administration. The climate of uncertainty generated by this global political context led, in the first months of 2025, to an increase in exports of non-operating assets to the United States due to a conservative attitude of massive acquisition of Italian products, which, however, was followed by a slowdown in trade with the USA as early as the second quarter.

In this context, the Credit Department continued its activities to support the Affiliated Banks in the management of foreign operations both with reference to payment services, also performed through foreign corresponding Banks, and with the coordination and development of Trade Finance services.

The Group's Strategic Plan approved by the Board of Directors for the period 2025-2027 envisages the strengthening of the service model in support of businesses, expanding the range of solutions offered by the Group with a specific focus on Export

and Internationalisation through the evolution of credit products, guarantees and services (Trade Finance, Foreign Bonds), aimed at supporting the growth of Italian SMEs in foreign markets also through collaboration with major public institutions.

### 5.2.1.3 Payment systems

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

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

### Settlements

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

In particular:

- European Digital Euro project: collaboration continues with the various national working groups coordinated by ABI and Bank of Italy for identification of the potential impacts of adopting digital currency and simulation of possible use cases;
- Instant Payments European Regulation: continuation of analysis and preparation of the IT system for harmonisation of economic conditions for users; Analysis of different implementation actions required for the expansion of distribution and acceptance channels; identification and comparison of innovative verification of payee (VoP) suppliers and services;
- PSR and PSD3 participation in the pre-analysis of potential operational impacts that will be introduced by new European regulations;
- Activation of new lists of cash access points (CAPs) for the Bank of Italy;
- Renewal of outsourcing agreements with the main strategic suppliers for the cash-in-transit sector;
- Renewal of the agreement for payment of pensions with INPS;
- Activation of a working group with the involvement of several banks for the drafting of a new Group Regulation and Procedure for the management of payment transaction disputes and start of the analysis and development phases of the functions for the management of reimbursements within the specific tool integrated in the SiBank information system.

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

### Centralised Services

During the final quarter of 2024, the Group Database Standardisation project was completed. The start of 2025 also remains characterised by the structure's great commitment to database topics, with the participation, as part of the ICT Core Banking Modernisation Strategic Programme, in the "Modernisation of the Database Module" initiative, which envisages, by 2025, the completion of an initial phase to define a target application design and the subsequent phases relating to the feasibility study, the functional analysis and user experience.

The project aims to create a flexible and integrable core system to cope with obsolescence risks and constraints and to optimise the user experience with a view to improving the processes and functionalities made available in the SiBank application.

The Database Office was also engaged in the management of the new ATECO 2025 classification, which aims to detail at national level what is expressed in the European classification of economic activities (NACE Rev 2.1), in turn updated by Commission Delegated Regulation (EU) 2023/137.

As part of the reporting to the “Archive of Financial Reports”, participation in the working table dedicated to the changes made by the provision of the Director of the Italian Revenue Agency on the reporting of the value of government securities for the purposes of their exclusion, up to a certain threshold amount, from the ISEE indicator was ensured.

The commitment of the Service also continued with regard to specific impacts on its areas of remit (e.g. FATCA/CRS reports, reports to the Single Justice Fund, Group database) arising from projects promoted by other Parent Company departments.

## General Governments treasury

The Operations Department includes treasury activities carried out for several public bodies in Italy. As at 30 June 2025, the number of bodies managed was 1,076, while 795 had an IT mandate, confirming the ongoing commitment to introduce advanced ways of delivering the service.

The Service is actively involved in the internal working table, in line with the initiatives promoted by ABI, aimed at regulating the introduction of Instant Payments in the treasury sector. The regulatory analysis and implementation process was structured into two distinct phases, aimed at ensuring an effective and industry-standard transition.

As far as revenue management is concerned, the necessary adjustments can be considered completed. The operation of the collection processes is now integrated with the new regulations.

For the management of outgoing instant SCTs, which are scheduled to come into force – unless a derogation is granted – on 9 October 2025, an in-depth analysis is currently under way. The purpose of this study is to define how to structure the verification of payee (VOP) service and the management of negative outcomes resulting from such verifications. The objective is to guarantee a clear and functional operational framework, capable of ensuring the correctness and security of instant transactions made by the PA.

## E-money

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

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

The activities associated with the project to reorganise the POS acquiring segment were particularly demanding. The launch of the partnership with Worldline – a market leader in the provision of acquiring services – led to the review and integration of processes for acquiring merchants according to the new target model; during the first half of 2025, specific initiatives were agreed with the partner to improve and support the Banks in their migration to the new acquirer.

In addition, work continues on the development of the solutions identified in the various projects in which the e-Money Service is engaged. These include the release of important evolutions on the dashboard for the management of payment transaction disputes, the management of instant transfers to prepaid cards, and the adjustment activities required for the unification of the Brands and Circuits managed by Bancomat S.p.A.



#### 5.2.1.4 Governance and support

Also in the first half of 2025, the Parent Company's governance and support functions worked to strengthen the organisational structures and develop the activities of the Cassa Centrale Group.

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

In the first half of 2025, the main activities were:

- management of the process for defining the Group's 2025-2027 Strategic Plan;
- updating of the process and forecasting models supporting the Group's strategic planning process and evolution of management reporting;
- development of the bond issue programme for the Cooperative Banking Group's customers;
- evolution of tools for analytics and reporting, auditing, management and, in particular, measurement of performance of branches;
- evolution of Data Governance processes and methodologies.

In the first half of 2025, activities continued to strengthen the **Administration and Tax Reporting Department**, in order to further strengthen the controls aimed at ensuring the correct and timely representation of the Parent Company's individual and consolidated economic and financial results, and the fulfilment of the related accounting, supervisory and tax obligations. In this sense, the Parent Company has provided important support to the Affiliated Banks in the management of accounting, tax and reporting processes, as well as in the activities to improve efficiency and correct management of the Group's income statement and balance sheet consolidation processes.

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

The action of the ICT Governance Service has moved along two main lines: regulatory and strategic. In the regulatory sphere, work continued on issuing and accompanying the adoption of the internal regulatory framework, with the aim of adapting the Group's ICT to ever growing regulatory pressure and enabling the effective management of ICT controls and risks. In this context, note the activities carried out for alignment with the Digital Operational Resilience Act with pervasive and profound impacts both on already consolidated processes (management of ICT Assets, Incidents and Problems, Changes) and on the management of ICT third parties, subject to particular new regulatory requirements. In terms of strategy, following updating of the 2025-2027 ICT Strategic Plan, drafted in line with the previous ICT Strategic Plan and, in light of the new Group Strategic Plan, implementation and monitoring of the related initiatives intended to support the digitalisation processes and the development of the information system continued, with the aim of guaranteeing high and innovative standards of service to shareholders and customers.

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

In the regulatory sphere, following the drafting and updating of the entire body of Security and Operational Resilience documentation, the Security and Resilience Service continued with the activities accompanying its adoption and coordinating the

initiatives to comply with the Digital Operational Resilience Act, according to a strategic roadmap of measures defined with the involvement of the most impacted structures of Cassa Centrale Banca and Allitude.

The Security & Resilience Service, in collaboration with Allitude's Cyber Security Operations Service, also prepared the 2025-2027 Multi-Year Strategy Security Plan, which updated the 2024-2027 Multi-Year Strategy Security Plan, taking into consideration the development of the external and internal situation of the Cassa Centrale Group, the Group's Strategic Plan, and synergy with the ICT Strategic Plan. In addition, it continued with periodic monitoring in order to ensure the effective achievement of the Security and Operational Resilience objectives set.

The Security and Resilience Service underwent a voluntary audit aimed at obtaining ISO/IEC 27001:2022 certification, which was successful and covers the scope of application "Activities of governance, direction, coordination, control and monitoring of Security and Operational Resilience within the Cassa Centrale Credito Cooperativo Italiano Group". ISO/IEC 27001 is the international standard describing best practices for an Information Security Management System (ISMS) that includes, in addition to logical security, physical/environmental security and organisational security. The certification obtained has made it possible to confirm that the activities carried out to date have been effective and that the established and planned evolutionary approach contributes to the continuous improvement of the Information Security Management System defined, in addition to increasing market and customer confidence in the Group and, in general, the reputation of the Cassa Centrale Group itself.

The Security and Resilience Service continued its projects in the area of both governance and direction of the security architecture and secure development of ICT solutions ("Security by Design") with the aim of increasing the maturity of security processes and control measures and reducing cyber risks at Group level, also through an increasingly active involvement of the Affiliated Banks through their respective Information Security Officers. As regards the "Security by Design" activities, with the involvement of interested stakeholders, the initiatives conducted make it possible to integrate Security measures as early as the initial stages of the solution design process, in order to ensure intrinsic security.

In the first half of 2025, the Security and Operational Resilience Training and Awareness Plan related to the year 2025 was defined and approved, which includes training and awareness activities on information security, physical security and operational resilience. In addition, training and awareness initiatives on security topics continued both for Group employees and customers. With regard to the latter, the Group is continuing its participation in the round tables organised by CERTFin and has renewed its membership with the 2025 edition of the "I Navigati" campaign, which will be launched during the second half of 2025 (the focal theme of the initiative is still being defined). Furthermore, Cassa Centrale Banca actively takes part in CERTFin as a member of the Strategic Committee and the Governing Council, in the Digital Resilience & 3rd Parties Hub organised by Cetif (research centre of the Università Cattolica del Sacro Cuore in Milan) as a member of the Steering Committee, in the OSSIF (ABI research centre on anti-crime security), and renewed its membership with Clusit (Italian Association for IT Security) and the Computer Security Incident Response Team (CSIRT) Italia established at the ACN.

Technical projects continued in synergy with Allitude's Cyber Security Operations Service, aimed at developing cyber security controls in relation to threat intelligence, incident detection and response, identity governance, incident management, anti-fraud and data classification and protection.

The **Operations Department** continued to support company projects in multiple areas pertaining to the business, governance and support, risks and controls segment. Regarding the digital transformation programme, the project initiatives defined within the framework were further implemented and developed. To further improve the efficiency of the project demand management monitoring and harmonisation process, an internal process was launched for the continuous strengthening and simplification of project management, continuing, furthermore, with the periodic monitoring of relevant initiatives with related periodic reporting to the departments and corporate bodies concerned. Adjustments to external regulations continued in order to transpose the new regulations issued from time to time.

In the context of Services Governance, in the first half of 2025 initiatives continued intended to strengthen the role of the structure as support for the administrative and banking back-office services of the Group. Services Governance also continues to manage the Group's strategic plan initiatives aimed at achieving the following objectives:

- evolution and expansion of the catalogue of centralised back office services in an end-to-end logic through the enhancement of the Group's in-house expertise and the selective activation of external partnerships for highly specialised or low value-added activities;
- polarisation of the back office activities currently distributed over the various Group entities through the planning of adoption campaigns at the Banks and the creation of specialised controls.

These project objectives will make it possible to review the Group's back office operating model and will allow the Banks to increase the efficiency of operating processes in support of the Business, also through the sharing of specialist skills available within the Banks.

In this regard, it should be noted that, during the year, numerous round tables were managed with the Group's Banks aimed at back office process optimisation, pooling the experience already acquired.

Furthermore, in the context of organisational transformation and the current back office operating methods, "EASY DESK", the digital desk dedicated to facilitating and standardising operating process management through Hyperautomation and AI solutions, is being gradually introduced. This technology platform, which is already active for some processes, aims to:

- standardise and digitise the Group's operating processes;
- create a seamless, cross-cutting user experience;
- facilitate the centralisation of processes and controls.

In the first half of 2025, developments continued in the field of Cost Management and Procurement, with a particular focus on consolidating Group synergies and strengthening operational efficiency. In continuity with the half-yearly planning launched in 2024, important Group agreements were concluded to optimise spending, contributing to a more effective management of economic resources. At the same time, the centralised planning of negotiation activities was confirmed for the second half of the year, to support an increasingly more integrated, competitive service offering consistent with the Group's strategic priorities. With regard to digital innovation, projects were launched to simplify the user experience on the digital procurement platform, with the aim of reducing operational effort and maximising the value derived from use of the tool. In this context, a roadmap was defined for the issuance of management reports to the Banks, aimed at strengthening the oversight of spending from both an operational and strategic perspective, also through the introduction of comparative benchmarks. The commitment to responsible supply chain management also continued: analyses were undertaken to promote an increasingly more sustainable supply chain, consistent with the Group's ESG objectives. In support of these objectives, initiatives were launched in cooperation with Allitude to enhance the integration of the procurement platform into the Group's application landscape, with particular reference to budget management and process efficiency improvement.

The **General Counsel Department** guaranteed operational and administrative support for the activities of the Board of Directors and the Board Committees of the Parent Company as well as their self-assessment exercise and appointment and suitability assessment pursuant to Art. 26 of TUB of the Corporate Representatives (including the AML Officer) elected at the Shareholders' Meeting on 5 June 2025.

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

It coordinated the audit activities, in part still ongoing, of the Group regulations on so-called "high governance", including the Standard Articles of Association of the Affiliated Banks, and on strengthening and consolidation of the procedural and IT controls for the management of operations with related parties and conflicts of interest. Regarding the standard bylaws of the Affiliated Banks, it is noted that on 27 February 2025, the ECB announced the assessment provision pursuant to Article 56 of Legislative Decree no. 385 of 1 September 1993 - Consolidated Text of the Laws on Banking and Credit.

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

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

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

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

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

In the first half of 2025, the **ESG and Institutional Relations Department** carried out the following activities, also with the contribution and collaboration of the Parent Company Departments and the Group's Affiliated Banks and Companies:

- providing support for the activities of the Risks and Sustainability Committee for issues within its remit through adequate information;
- preparing the first Consolidated Sustainability Report, pursuant to Legislative Decree no. 125/24;
- collaboration with the relevant Departments for definition, implementation and monitoring of planning in relation to the Sustainability Plan;
- three-monthly coordination and monitoring of planning in the sphere of Sustainability, supporting the Board of Directors, Risk and Sustainability Committee and ESG Steering Committee;
- updating of the Sustainability Plan, which from 2024 includes the Climate-Related and Environmental Risks Plan in response to the ECB "European Supervisory Expectations on climate-related and environmental risks"<sup>10</sup>;
- following the main dossiers on the revision of banking, financial and insurance legislation and regulations, also in coordination with the credit and cooperation trade associations, to represent the unique characteristics and needs of the cooperative banking system;
- studying and assessing the impacts of sustainability/ESG regulations including through constant and proactive dialogue with the relevant supervisory and control bodies;
- enhancing in external communication the Group's sustainability journey, while highlighting the distinctive features;
- acknowledging the Group as an entity with distinctive characteristics within the banking world, enhancing the objectives of sustainable development and the principles and values of the Mutual Credit Cooperation;
- further increasing, according to a constant and gradual approach, the Group's visibility to the outside world also through social networks, coordinating the activity to enhance the various initiatives activated by the Group and the communication of the Affiliated Banks on these channels. In particular, the Parent Company continued to see a constant increase in visibility on its LinkedIn profile, with a number of followers exceeding 42 thousand;
- continuing the collaboration with Euricse, a research institute specialised in cooperation and social enterprise issues. In particular, the survey on the Affiliated Banks was re-proposed, essential for circulating good practice on environmental and social issues.

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<sup>10</sup> The Group Sustainability Plan is integrated into the Group Strategic Plan.

## 5.2.2 ICT and back office services

Within the ICT Department at Allitude the process to consolidate the operational integration and organisational transformation activities continued. In terms of projects, initiatives were carried out in 2025 on the basis of the requirements formulated by the competent structures of Cassa Centrale Banca. These requirements were formalised in the document of the 2025 ICT Operational Plan and approved by the competent decision-making bodies.

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

The projects included in the 2025 ICT Operational Plan are consistent with the development lines envisioned in the Cassa Centrale Group's strategy and can be summarised in the following areas:

- **omnichannel:** evolution of digital services for end customers, with particular reference to mobile and Internet-banking channels, with completion of the modernisation of the Inbank web presentation layer and its gradual release to customers launched in early 2025; release to Inbank web and app customers of new functions related to the commercial area, with particular reference to the new Home Page for the web and integration with CRM campaigns with the various digital channels; continuation of processes for modernisation of platforms for bank users, with creation of the new technological infrastructure and architecture for the modernised portal and release of the first six modules;
- **banking information system:** standardisation of information system processes and configurations (database, transparency, contracts); evolution of the various application modules on the basis of Business priorities (dematerialisation of sales processes to make in- and out-of-branch offers more efficient) and the need for regulatory compliance in the areas of finance, credit, anti-money laundering and payment systems; implementation and release of the Group's new electronic credit line facility (PEF) and corresponding product range; release of the Transaction Monitoring system to support anti-money laundering controls. In the context of the Core Banking Modernisation programme, the release of the Owned Derivatives module was completed at all banks, and the Database of Financial Products module was released at Cassa Centrale Banca; the first wave of Advanced Consulting was released on a first pilot bank; for Asset Management, UAT (User Acceptance Testing) is being completed for the first wave and analyses have begun for the second wave; project activities are also under way for the General Database, Internal Risk and Central Credit Register;
- **data management and analytics:** continuous enrichment and expansion of the Data Platform based on the Data Hub layer for the provision of Group data; expansion of business intelligence capability with self-service functionality used by the various offices for independent consultation of databases and extension of the number of users supported including thanks to cloud developments; continuous enrichment and extension of the business glossary to include numerous information sources in the context of evolution of the data governance framework; upgrading the data quality dashboard with the implementation of a new set of business controls and strengthening of the data observability dashboard for technical controls; expansion of the commercial datamart dedicated to customer insight, enabling the creation of Business Intelligence dashboards distributed amongst User Banks and also used as the system for the CRM tool database;
- **synthesis systems:** completion of adjustments to the rating calculation engine and the EWI/EWS (early warning indicator/early warning system) to the Group's new credit regulations; implementation of third-party synthesis applications (ERMAS, Regtech, Rating, IFRS9, ICT and Reputation Risk, Corporate Control Functions (CCFs), etc.); evolution of reporting from a Basel IV, Operational Risk and Tagetik prudential perspective;
- **technology/infrastructure:** completed the technology refresh of the computational hardware components that provide the SIBANK service; continued progressive onboarding of the Banks to the server hosting technology service; completed and included in the service catalogue the first version of the management service for job roles of the user banks for which the progressive onboarding of Banks is active. Planning is under way to define the second phase of the management service for job roles, which will complete management in this area with the provision of hardware; completion of the design and pilot phase for the introduction of another distributed computing management service, such as management of the user bank's local network; continuation of the cloud journey with final definition of the operating model for the adoption and management of Software as a Service cloud services.

In the first half of 2025, the Allitude S.p.A. Services Department continued its development programme aimed at strengthening the Group outsourcer role, in particular by increasing the volumes managed and developing additional new end-to-end administrative and banking back-office services, in line with the needs of the Cassa Centrale Group.

In line with the discussions held with Group Banks and the relevant structures of the Parent Company, the Group-level efficiency strategy was consolidated, which is based on the following pillars:

- design of new services in line with the needs of the Affiliated Banks and end-to-end expansion of current services in order to use centralised back offices to optimise processes, including branch processes, and increase the network's commercial time;
- creation of centralised specialist controls to enhance the Group's expertise and pursue economies of scale;
- introduction of "EASY DESK", a digital desk dedicated to facilitating and standardising the management of operating processes through Hyperautomation and AI solutions. A programme to increase productivity and operating efficiency in the provision of back office services is ongoing, created in close collaboration with the Services Department and the ICT Department of Allitude, which involves various initiatives across all areas of the Services Department (Collections, Payments and e-Money, Administrative Management of Personnel, Accounting and Tax, Finance, Supervisory Reports, Credit), and provides for the achievement of target benefits in terms of increased performance as soon as all solutions are fully operational.

As for the expansion of the offer of services, various initiatives were launched, some still in the design stage and others already released in 2025:

#### Design

- Inheritance Back Office (legal and tax consulting);
- Credit Back Office (foreclosure management, NEAM foreclosure management, mortgage back office);
- Operational Procurement Back Office (vendor management, management of regulatory controls).

#### Releases

- Succession Back Office (declaration of existence, asset management and disposition of realisation, transfer of securities by inheritance, closing of current accounts);
- Credit Back Office (CESOP reporting, management of subrogation of loans due and payable, research for the magistracy, mortgage renewals);
- Mandatory Accounting Books Back Office;
- Past Contracts Uploading Back Office;
- Collections, Payments and e-Money Back Office (POS terminal migration);
- Administrative Management of Personnel Back Office (monthly technical closure of time sheets and management of SAP records).

Furthermore, with regard to Performance Management, the Balanced Scorecard for monitoring the performance of the Allitude Services Department was completed, with the aim of introducing continuous improvement logics for the efficiency and quality of services through the analysis of collected data (economic, volume and productivity data).

### 5.2.3 Consumer credit services

Prestipay S.p.A. is the Cassa Centrale Group company specialising in consumer loans.

Its specialised expertise, precise risk control and a comprehensive range of products and services, make Prestipay a benchmark in the creation of credit solutions for household customers of the Group's Banks. These solutions are distributed through a multi-channel model that combines the local networked reach of branches with the operability of the direct digital channel.

As at 30 June 2025, the Company's economic and financial results significantly exceeded expectations, showing a positive half-yearly performance with a net result of EUR 5 million as at 30 June.

In the first half of the year, total disbursements were close to EUR 200 million, with new personal loan volumes exceeding EUR 183 million and a year-on-year growth of 11.5%. In addition, more than EUR 10 million was disbursed through the new pension-backed loan product, following completion of the project to internalise this type of financing.

With reference to the number of transactions, there was a significant increase in the number of cases handled, with a marked growth in terms of both numbers and volumes in the digital channel, which proved to be particularly dynamic, also thanks to the constant optimisation of internal processes and investments aimed at improving the customer journey, which made it possible to double volumes compared to the first half of 2024.

In the physical branch channel, the continuous enhancement of the service offered to partner banks – through the further digitalisation of processes and the adoption of advanced technologies – consolidated the benefits achieved in 2024 in terms of faster response times.

In the context of contractual documentation, the use of certified digital signatures continues, and has now reached a stable penetration of over 96% of total contracts. This made it possible to maintain an important contribution to environmental sustainability, with a significant reduction in paper consumption and related CO<sub>2</sub> equivalent emissions.

In relation to the performance of the national consumer credit market, the growth recorded by Prestipay in personal loans in the first half of 2025 was in line with the average of the leading operators in the sector and with the best market performance. According to data published by Assofin – the association of reference for consumer credit operators – in the first half of the year, total flows disbursed in the sector increased by +5% year-on-year.

In this context, Prestipay showed a more dynamic and responsive performance, strengthening its market share and confirming the soundness of its operating model.

The outlook for the second half of the year is set against a macroeconomic backdrop of moderate economic growth and elements of uncertainty, particularly related to evolving global trade and geopolitical tensions. The consumer credit market remains selective, with cautious supply policies in a context of slightly increased expected risk. In this scenario, the gradual easing of pressure on interest rates and the stability of the labour market could favour a recovery in household demand for financing in the medium term.

Among its main internal activities, the Company confirms its commitment to the implementation of strategic development projects, with the aim of guaranteeing a competitive offer aligned with the evolution of the market context.

In particular, the first part of the year saw the completion of the operational start-up (roll-out) of the "Prestipay Five" salary-backed loan, through the migration of all the Group Banks to the Company's IT systems and their authorisation to distribute the new product.

The strengthening of the direct distribution channel also continued, through projects aimed at streamlining internal decision-making processes and the integration, from a Group perspective, of personal loan placement processes through digital channels.



Finally, the Company continued its path of strengthening its organisational structure, with the addition of new specialised resources. These initiatives are aimed both at supporting strategic projects and the expansion of the product range, and at strengthening the commercial presence, both at regional level and on the digital channels.

#### 5.2.4 Leasing services

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

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

The domestic economic environment showed slight growth in the level of economic activity in the first few months of the year, but the international backdrop remains unstable with continuing geopolitical tensions. A great deal of uncertainty continues to characterise trade policies, fuelled by a sequence of announcements, suspensions and disputes, as well as by the unpredictability of the outcomes of negotiations between the US and its main trading partners.

In this scenario, the first six months of 2025 nevertheless saw the Italian leasing sector register significant year-on-year growth, driven by the positive results recorded by the capital goods segment, partially offset by the decrease in transactions in the motor vehicle and real estate segments. The performance of the market is also reflected in the final figures recorded by the Company, with particular reference to the positive contribution shown by the capital goods segment, which, in this case, shows growth even higher than the dynamics of the Italian market.

Through placements made by the distribution network of the Affiliated Banks of the Cooperative Banking Group, Claris Leasing concluded 858 new finance lease contracts for a total of EUR 161.6 million in new investments in the first half of the year. Compared to figures for the previous year, there was nearly a 5.8% increase in the number of contracts signed, with sector dynamics consistent with those of the Italian leasing industry. In the first half of 2025, nearly EUR 83 million was allocated to the manufacturing industry, EUR 30 million to trade and transport and over EUR 17 million to the real-estate and construction sector, funding small and medium local companies supporting the social fabric of the different areas. From a commercial perspective, the Company focuses on the most environmentally friendly projects, in accordance with EU and national policies aimed at promoting investment in the green economy and in line with the Group's ESG policies. With regard to asset quality, in line with the Cassa Centrale Group's objective, the gradual reduction of non-performing exposures continued through a strategy of disposals for the most part managed directly by the Company. The gross NPL ratio stood at 2.3% in June 2025, an improvement from the 2.8% of December 2024. Supported by a prudent provisioning policy, the ratio of net impaired exposures to total net leasing receivables as at 30 June 2025 was around 0.9%, down from 1.1% recorded in December 2024. Impaired position coverage stood at 62.8%, a slight improvement from 60.4% at the end of 2024, also due to the dynamics of incomings and outgoings in the first half of the year.

During the six-month period, Claris Leasing S.p.A. posted a positive result of EUR 2.0 million.

The commercial offer of the Cassa Centrale Group was enriched by the contribution from Claris Rent S.p.A., which, through the significant distribution channels of the Affiliated Banks, offers the territories lease services on capital goods and long-term rental of motor vehicles in partnership with leading sector operators.

The offer of services in the leasing sector is supplemented by the collaboration agreement between the Parent Company and Fraer Leasing S.p.A. belonging to the French Group Société Générale. During the first half of 2025, this agreement allowed the distribution network of the Cooperative Banking Group to sign 80 contracts for a total amount of approximately EUR 7.9 million.



### 5.2.5 Insurance services

Recognition of the strategic value of the insurance products at member banks to build customer loyalty by satisfying the evolving needs of households and businesses for asset protection, personal protection and retirement planning resulted in further growth in new business in the first half of 2025 to over 156 thousand contracts with premium income of over EUR 828 million, exceeding the set targets.

The growing awareness of exposure to a variety of evolving risks (such as those related to climate change or an ageing population), in a scenario that is still characterised by a profound underinsurance compared to other European countries, has led to a significant increase in the placement of products in the protection area, which has risen to over 65 thousand new contracts for almost EUR 50 million in new premiums, an increase of +32% compared to the first half of the previous year.

In particular, the number of contracts covering corporate risks grew by +77%, with new premiums collected doubling to almost EUR 2.1 million (equal to the amount realised in the entire 2024 financial year) on the back of the entry into force, postponed to the end of the year for small- and medium-sized enterprises, of the obligation to insure catastrophe risks. The development was across all lines of business, with a +3% increase in new premium income for policies in the primary lines of business, +28% in the motor TPL segment, +37% in CPI policies (against a +29% increase in mortgages loans, indicating a greater ability to match cover to loans), and +31% in temporary life insurance policies.

Similarly, the financial life sector recorded an increase in funding net of redemptions, which, although less than in the previous year, were still significant, coming close to EUR 300 million (compared to EUR 18 million in June 2024), attesting to a greater preference for these forms of investment than that expressed by the market, which at the end of June showed a growth in new business of less than +13%.

To support the banks in seizing the relevant opportunities by increasing their penetration of the customer base, a number of tools have been put in place to offer a service that is increasingly focused on meeting the needs of households and businesses, provided that all institutions equip themselves with an adequate organisational structure with the necessary resources and skills, overcoming a marked heterogeneity in supply capacity that still persists.

In particular, for the professional management of advice to households, the Bancassicura Check Up tool has been fully implemented, which is highly innovative and distinctive with respect to the checks performed by the market. After analysing exposure to risks (weighing their potential impact and frequency) and assessing the gaps with respect to any services guaranteed by the public system, it is possible to identify areas of need and work out the most suitable solutions to meet them.

At the same time, for the corporate sector, aware of the one-off opportunity brought about by the compulsory nature of catastrophe risks, in addition to creating a product that complies with the regulations and with a good price positioning, which can be placed in stand-alone mode or as a supplement to the multi-risk policy, the innovative possibility of issuing post-dated policies was introduced, allowing the banks to implement adequate business planning on customers, operating in advance of the regulatory obligation.

The commitment to rationalise and make operational processes more efficient will continue over the next six months (with the in-depth study of the possible future use of generative artificial intelligence), to increase the competence of the network with targeted training courses, and to implement the product catalogue (e.g. with the activation of a multi-risk solution for agriculture) to enable the banks, also with the support provided by the renewed CRM tools, to make the most of the considerable potential, still largely unexpressed, offered by the sector.

The business conducted both in terms of new business and maintenance of the existing portfolio reached almost EUR 8.6 billion in premiums under management at the end of June, of which EUR 7 billion related to investment instruments, over EUR 1.1 billion to supplementary pensions and more than EUR 440 million to insurance coverage in the protection area, which, thanks to high retention, testifying to the appreciation for the quality of the insurance cover and the service offered, recorded an increase of +15% in the primary lines of business, +23% motor TPL, +17% CPI and +12% temporary life insurance compared to last year.

The combination of acquisition commissions from new business with maintenance commissions accrued on the existing portfolio produced over EUR 41.4 million in commissions, an increase of +13.71% over the same period in the previous year. It should be noted in a positive light that more than 55% of the remuneration relates to the protection area, which gives more stability in perspective to the flow of revenues generated by the insurance segment.

Revenues from net fees and commissions for Assicura Agenzia recorded in the first half of the year, historically lower than those accrued in the second half of the year due to the concentration of numerous maturities in the last four months, amounted to EUR 6.2 million, an increase of +14.9%, resulting in a net result of EUR 3.48 million, an increase of +13.8% compared to the result recorded in the first half of the previous year and higher than forecast.

Assicura Broker S.r.l., after agreeing with customers and companies on renewals of the insurance plans maturing on 31 December, in the first months of 2025 was engaged in both management and reporting to customers on the activity carried out during the renewal phase, and in the renewal of the policy covering the Group's payment cards. The renewal of cover, complicated by the increase in claims, required rapid negotiations to contain cost increases.

In the second half of the year, negotiations for renewals of D&O policies of Group companies and Affiliated Banks were activated. Once again this year, it was possible to guarantee cover for all client companies, managing, in the best situations, to reduce insurance premiums and extend the scope of guarantees.

With regard to the SMEs area, the number of corporate customers increased thanks to the commercial activities carried out in 2024 for the most active companies and Affiliated Banks. Particular attention has been paid to catastrophe risk coverage, enabling corporate customers to meet their regulatory obligations on time.

Overall, there was an increase in brokered premiums and commissions collected during the first half of 2025. The latter amounted to EUR 4.4 million, equal to a 22% increase compared to the first half of the previous year, bringing the net half-yearly profit to approximately EUR 1.99 million compared to EUR 1.65 million in the first half of 2024.

### 5.2.6 Collective asset management services

NEAM is the Luxembourg-based asset management company wholly owned by Cassa Centrale Banca which manages the NEF Mutual Investment Fund, composed of 17 different sub-funds; NEF Target 2025 was recently merged into NEF Ethical Bond Euro.

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

Thanks to the good results of the BCC-CR-RAIKA commercial network and despite investors still looking to invest in BTP as a result of the current rates on the market, volumes reached EUR 9.1 billion at 30 June 2025, with a 10.74% increase since the start of 2025 (EUR +882 million).

Increased assets under management were the result of positive net funding of EUR 766 million and a positive market contribution of EUR 116 million. With regard to the CAPs, there was net growth of 20,106 new openings during the year, for a total of 580,486 units, which are equal to monthly deposits of approximately EUR 69 million.

Specifically, the data shows significant amounts since the start of the year in a number of sub-funds: NEF Ethical Balanced Dynamic EUR 19 million, NEF Ethical Bond Euro EUR 54 million (net of the merger with the NEF Target 2025 sub-fund), NEF Ethical Corporate Bond Euro EUR 21 million, NEF Ethical Short Term Bond Euro EUR 110 million, NEF Ethical Global Equity EUR 53 million, NEF Ethical Global Trends EUR 26 million, NEF Ethical Target 2029 with EUR 292 million. Significant transfers occurred on the institutional classes, which offset profit-taking primarily in the equity segments. The NEF Conservative I, reserved to institutional investors, alone provided a contribution of EUR 250 million.

In the NEF range, certain sub-funds exceed EUR 500 million (NEF Ethical Balanced Dynamic EUR 938 million, NEF Ethical Global Trends EUR 959 million, NEF Ethical Bond Euro EUR 840 million, NEF Ethical Global Equity EUR 605 million and NEF Ethical Euro Equity EUR 698 million, NEF Ethical Short Term Bond Euro EUR 559 million), while many others now exceed the threshold of EUR 300 million.

In confirmation of the high quality of its operations, this year NEAM received important awards in the Guide published by "Il Sole 24 ORE". The annual publication of "The 300 Best Funds" – now in its 21st edition – highlighted the quality of management of three NEF sub-funds in 2025. The independent analysis company CFS Rating thus places the sub-funds NEF RISPARMIO ITALIA and NEF ETHICAL GLOBAL EQUITY in the highest segment of the offer in our territory, which were awarded 4-star ratings, and NEF ETHICAL EURO EQUITY, which was given the accolade of "Best Over 10 Years", as was NEF ETHICAL GLOBAL EQUITY. NEF ETHICAL GLOBAL EQUITY, an equity sub-fund characterised by large sector and currency diversification, is in the top group in both the "Best 300" and "Best Fund Over 10 Years" categories.

# 6. Risk management and internal control system

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

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

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

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

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

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

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

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

In light of the above, the Corporate Control Functions (CCFs), in their role as Parent Company Functions, exercise control over the risks arising from the activities carried out by all the Group Companies in order to assess the various risk profiles contributed by these Companies and the overall risks of the Group. These elements translate into the performance of specific monitoring

and verification activities concerning the Group as a whole and/or individual Group Companies, which guarantee adequate information flows, timely responses to specific requests and collaboration in the event of remote or on-site verification.

The Group identifies the Risk Appetite Framework (RAF) as the instrument for controlling the risk profile that the Group intends to assume in the implementation of its corporate strategy, which is essential for imbuing the risk governance policy and its management with the principles of sound and prudent company management. The Risk Appetite Framework (hereinafter also RAF) summarises the overall approach, including policies, processes, controls and systems through which the Group's risk appetite is established, communicated and monitored.

In this sense, the RAF is understood as the "reference framework that defines – in line with the maximum risk that can be assumed, the business model and the strategic plan – the risk appetite, the tolerance thresholds, the risk limits, the risk management policies, and the reference processes necessary to define and implement them".

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

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

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

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

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

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

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

As such, the definition and implementation of the RAF cannot be separated from the company's strategic decisions and the related budgets/implementation plans, the specific business model used, and the overall level of risk involved in terms of exposure.

The definition of the risk appetite also represents a management tool that, in addition to enabling a concrete application of the prudential measures, makes it possible to:

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

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

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

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

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

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

The RAS defines the following thresholds:

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

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

In conclusion, the definition of the RAF and the resulting operational limits on the main specific risks mentioned above, the use of risk assessment tools within the credit management processes and the reference control and monitoring of operational and

compliance risks, capital and liquidity adequacy assessment measures and risk capital measures for the assessment of company performance, are the cornerstones of the operational declination of the risk strategy defined by the Board of Directors.

## 6.1 - Risk map

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

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

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

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

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

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

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

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

- verification of the significant of corporate risks already subject to evaluation and analysis and research and identification of new potentially relevant risks not yet considered by the Group (so-called Long List of Risks);

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

The Group's "Risk Map" valid for 2025 is shown below, with reference to the first level of risk identified<sup>11</sup>, which is adopted by all Group Companies.

### **Credit and counterparty risk**

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

### **Credit concentration risk**

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

### **Market risk**

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

### **Credit valuation adjustment (CVA) risk**

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

### **Operational risk**

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

### **Reputational risk**

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

### **Risk of non-compliance with rules**

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

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<sup>11</sup> The risk hierarchy is structured across four levels.



### **Risk of money laundering and terrorist financing**

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

### **Interest rate risk of the banking book**

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

### **Credit spread risk arising from non-trading book activities (CSRBB)**

Risk determined by changes in the market price of the financial instrument, related to factors linked to the reference market, liquidity or other specific characteristics, which are not captured by another existing prudential framework such as IRRBB or credit risk in the sense of a jump-to-default.

### **Sovereign risk**

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

### **Strategic and business risk**

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

### **Real estate portfolio risk**

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

### **Risk associated with the acquisition of equity investments**

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

### **Excessive leverage risk**

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

### **Liquidity and funding risk**

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

### **Risk of conflicts of interest with respect to associated parties**

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

### Geopolitical risk

Risk of threat, realisation and escalation of adverse events associated with war, terrorism and tensions between States and political actors affecting the peaceful course of international relations.

### Governance risk

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

- a solid and transparent organisational structure with clear responsibilities, including the Corporate Bodies and the associated Committee;
- knowledge and understanding, among the Management Body, of the operating structure of the entity and the associated risks;
- policies aimed at identifying and preventing conflicts of interest;
- a transparent governance structure;
- in the project management attributable to weaknesses in the planning framework or shortfall of human resources.

### Climate and environmental risks<sup>12</sup>

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

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

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

### Credit risk

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

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

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

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

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

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

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

The Parent Company defines the system of credit policies guiding the overall allocation policy of the single associate alongside the "Group Regulations for the granting of loans", which defines the methodological standards to oversee the technical appraisal of new business. The strategy and related operational plan for impaired exposures at Group level is also defined annually. It identifies binding short/medium/long-term objectives for each Affiliated Bank. To ensure the efficient management of impaired exposures, they may be assigned to the Parent Company (also through its subsidiaries) and/or to Affiliated Banks and/or to specialised outsourcers.

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

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

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

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

The Risk Management Department defines, as part of the Risk Appetite Framework process, the risk appetite that represents the maximum amount of capital that the Group is willing to put at risk in order to achieve its strategic-income objectives, based on the business model and strategic decisions adopted; in particular, as regards credit risk, the Risk Management Department, in line with the provisions of the prudential regulatory provisions, breaks down the risk objectives, identified in the RAF, into risk-limits and monitoring indicators.

The former are designed to place a limit on operations through a system of thresholds and escalation procedures. The risk limits are assessed using the following metrics:

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

The Risk Management Department's overall monitoring of the sector, at the level of individual phases on the loan chain, is ensured by a methodological framework developed from a substantial overhaul of the work started off at the Banking Group's inception, launched under the Group Risk Management Department shake-up in July 2020 and the establishment of the Credit Risk Management Service, with a two-year roadmap (2020-2022) that governed its gradual implementation.

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

The control model makes it possible to modulate the structure of the verification on the individual control process/area through preliminary quarterly risk assessments (i.e. portfolio analyses) carried out on a large scale through specific sets of dedicated key risk indicators. This should provide an initial measurement of the risk of the individual area, also taking into account its historical evolution (cross-time comparison) and its positioning vis-a-vis the banking Group (cross-section comparison). It should also localise the possible risk drivers of the sector to more precisely address any in-depth, single-name analyses, at least on the control areas identified as core (credit granting, classification, collateral management, provisioning).

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

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

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

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

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

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

The following asset classes are particularly notable:

- of "Central governments and central banks" include, *inter alia*, deferred tax assets (DTAs), other than those deducted from equity, to which different weightings are applied depending on the source;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Counterparty risk

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

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

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

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

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

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

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

## Market risks

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

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

- **Position risk for UCITS units in the trading book**, which represents the risk of incurring losses caused by adverse changes in market prices;
- **Exchange rate risk**, i.e. the risk of incurring losses due to adverse changes in the prices of foreign currencies on all positions held by the Group regardless of the allocation portfolio on the entire financial statements.

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

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

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

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

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

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

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

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

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

- In the period between the "first contractual settlement date" and the fourth business day following the "second contractual settlement date", the capital requirement is determined with regard to credit risk by applying the 8% equity ratio to the credit exposure value weighted according to the relevant weight factors;

- after the second contractual settlement date, the value of the risk exposure, increased by any positive difference between the fair value of the underlying asset and the price, must be weighted at 1250% or fully deducted from the Common Equity Tier 1 capital.

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

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

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

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

Negotiable instruments are also defined within the aforementioned policies.

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

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

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

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

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



### Credit spread risk in the banking book

Credit spread risk in the banking book (CSRBB) is the risk arising from market changes that could potentially affect the company's economic value and net interest income. The methodology for measuring credit spread risk aims to capture systematic risk by stripping out the idiosyncratic credit risk component through the construction of average credit spread curves, i.e., referring to homogeneous clusters. Based on the technical form and counterparty of the transaction, three different macro-categories were identified, which differ in the methodology used in constructing the curves.

The Group controls and monitors its overall exposure to credit spread risk by means of a system of indicators that can be measured and monitored on a monthly basis both at a consolidated and individual level and provided to the Parent Company, Affiliated Banks and financial companies subject to Circular 288/2015, even though they are not part of the risk objectives defined within the RAS.

From an organisational point of view, the Group has identified the Risk Management Department as the structure in charge of controlling the management of credit spread risk in the banking book.

The monitoring indicators of CSRBB, set out in the dedicated Regulation, are subject to a review process in order to verify their validity, relevance and consistency both with respect to any regulatory changes and to the Group's context and operations.

### Interest rate risk of the banking book

The interest rate risk on the banking book consists of the possibility that a change in market interest rates has a negative impact on the financial situation of the Group, determining a change in the economic value and in its net interest income. Exposure to this risk is measured with reference to the assets and liabilities included in the banking book.

The Group has put in place appropriate mitigation and control measures aimed at avoiding the possibility of positions exceeding a certain level of risk. These measures are enshrined within the framework of corporate regulations aimed at setting up monitoring processes based on position limits and systems of attention thresholds proportional to own funds, beyond which appropriate corrective actions are triggered.

In particular, the following were defined:

- policies and procedures for managing interest rate risk that are consistent with the nature and complexity of the activity carried out;
- operational limits and internal procedural provisions which aim to maintain exposure within limits that are consistent with the managerial policy and with the alert thresholds pursuant to prudential regulations;
- a risk measurement that generates alert levels and information flows that enable the timely identification and activation of appropriate corrective measures.

From an organisational point of view, the Group has identified the Planning Department of the Parent Company, the Structures that oversee Treasury at the Affiliated Banks, the Finance Departments of the Affiliated Banks and the Risk Management Department as the structures responsible for overseeing the process of managing interest rate risk on the banking book. With the 32<sup>nd</sup> update of Bank of Italy Circular no. 285, the EBA Guidelines on the management of interest rate risk in the banking book were transposed into national law.

Since 2019, the Group has adopted a risk measurement methodology compliant with the EBA guidelines, thanks to the support provided by Prometeia's ERMAS calculation engine, thus abandoning the simplified methodology provided for by Bank of Italy Circular no. 285. The stress tests defined by the aforementioned guidelines are also performed.

Interest rate risk exposure on the banking book is monitored on a quarterly basis in compliance with regulations, and on a monthly basis at management and internal regulatory level. In addition, special simulations are prepared before proceeding with transactions of a certain amount that lead to increases in capital absorption.

The EBA guidelines set a warning threshold if the change in economic value relative to the Tier1 value exceeds 15%. Should this indicator exceed this threshold, the Supervisory Board will discuss the underlying reasons with the Group and reserves the right to take appropriate action. For the Group, the risk indicator was not exceeded in 2025

## Operational risk

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

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

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

With reference to the measurement of the prudential requirement for operational risks, the Group applies the new Standard Model, which is the only method for assessing operational risks, as the Basel Committee decided to eliminate all previous methods (BIA, TSA and AMA). In addition, the Group, for the purpose of managing and controlling operational risk, continuously verifies exposure to certain onset profiles through the analysis and monitoring of a set of indicators, carried out by the Risk Management Department.

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

The Internal Audit Function, in the broader context of the control activities for which it is responsible, carries out specific and targeted periodic checks on operational risks. Lastly, with regard to organisational controls, particularly important is the Compliance Function which is responsible for monitoring and controlling compliance with the rules as well as providing support in the prevention and management of the risk of incurring judicial or administrative sanctions, of incurring significant losses as a result of the violation of external (laws or regulations) or internal (articles of association, codes of conduct, corporate governance codes) rules, and, for all pertinent areas, also important is the work carried out by the Anti-Money Laundering Function.

Considering the unique characteristics of the risk in question and the way it manifests itself, the Group deemed it appropriate to develop a more in-depth management approach, aimed at acquiring a better knowledge and awareness of the actual level of exposure to risk.

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

Operational risks also include the risk profile associated with ICT and security risk, namely the risk of incurring losses due to a breach of confidentiality, lack of integrity of the systems and data, inadequacy or unavailability of the systems and data or inability to replace the information technology (IT) within a reasonable time and cost limits, in case of changes to the requirements

of the external environment or activity (agility), as well as security risks arising from inadequate or incorrect internal processes or external events, including cyber attacks or a level of inadequate physical security.

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

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

In order to ensure compliance with the requirements of the regulations in force, the Compliance Department defines specific outsourcing agreements. In this context and with reference to the outsourcing of important operational and corporate control functions, which entails more stringent obligations in terms of contractual restrictions and specific requirements demanded of suppliers (related to defining specific, objective and measurable service levels and related materiality thresholds, among other things), the service levels assured in the event of an emergency and the related continuity solutions are defined. The contractual provisions also provide for, *inter alia*: (i) the right for the Supervisory Authority to access the premises where the service provider operates; (ii) the presence of specific termination clauses to terminate the outsourcing agreement in the event of certain events that prevent the provider from guaranteeing the service or in the event of failure to meet the agreed service level.

The Group internally maintains the expertise required to effectively control the Essential or Important Control Functions (ICF) and to manage the risks associated with outsourcing, including those arising from potential conflicts of interest of the service provider. In this context, an internal contact representative has been identified within the organisation for the outsourced activities, with adequate professional requirements, responsible for monitoring the level of services provided by the outsourcer and set out in the respective outsourcing contracts and for reporting to corporate bodies on the status and performance of the outsourced functions.

More generally, as part of the actions undertaken with a view to ensure compliance with the regulations introduced by the Bank of Italy through the 15th update of Circular 263/06 (and subsequently merged into Circular 285/13, Part One, Title IV, Chapter 4), initiatives related to the implementation of organisational profiles and internal provisions of regulatory references on information systems are of note.

The adoption of a Business Continuity Plan to protect the Bank against critical events that may affect its overall operations is also part of the measures to mitigate these risks. With this in mind, the operating procedures to be activated to deal with the crisis scenarios were established, assigning to this end the roles and responsibilities of the various players involved.

Although it is not necessary, in general, to change the underlying business continuity strategy, the references adopted have been reviewed and supplemented in the light of the requirements set out in Chapter 5 of Title IV of Part One of Bank of Italy Circular 285/13, to support compliance with the reference provisions. In particular, the Business Continuity Plan was updated with reference to the risk scenarios which, although in principle compatible with those already described previously, are now more precautionary than those envisaged in the current provisions. Incident classification and rapid escalation procedures have also been introduced along with the anticipation of the necessary links with the IT security incident management procedure in accordance with the relevant regulatory provisions set forth in Chapter 4, Title IV, Part One of Circular 285/13. Furthermore, the European Union, in view of the growing importance of information and communication technologies in the activities and provision of services and products to customers, has issued the Regulation on digital operational resilience for the financial sector (also known as the Digital Operational Resilience Act or DORA). The Regulation, which became fully applicable as of 17

January 2025, aims, together with the technical regulations (RTS/ITS) developed by the Supervisory Authorities, to strengthen the digital operational resilience of the financial sector. The Group's DORA Adaptation Programme, which started back in 2022 with initial awareness of the impacts in both technology and processes, involved the Parent Company and the Legal Entities impacted by the application of the regulation.

The implementation plan for the adjustments thus identified was formed according to a risk-based approach, by means of a planning assessment based on identified priorities, and an evaluation of costs and investments. This approach led the Group to target the definition of the new methodologies and processes required to achieve compliance with the deadline of 17 January 2025 (defined by the Regulation for compliance with the requirements) and to envisage a series of activities to operationalise and thus optimise and streamline processes during 2025. In particular, the progressive implementation and roll-out of ICT projects, with high technological content, addressed as early as 2024 within the Strategic and Operational Plans, is expected during the year.

## Credit concentration risk

Credit concentration risk is the risk arising from exposures to counterparties, including central counterparties, groups of related counterparties (single-name concentration) and counterparties operating in the same economic sector, in the same geographical region or carrying out the same activity or trading the same commodity (geo-sectorial concentration), as well as from the application of credit risk mitigation techniques, including in particular risks deriving from indirect exposures, such as, for example, towards individual guarantee providers.

The policies on concentration risk, resolved upon by the Board of Directors, are mainly based on the following specific elements:

- powers delegated in terms of concentration risk management;
- total amount of exposure to "large risks".

With a view to prudent management, the Parent Company defines maximum exposure thresholds at the level of each individual affiliated bank, depending on its risk class, and at Group level, in line with the regulatory provisions in force relating to Large Exposures and the provisions contained in the risk management framework. Compliance with the thresholds is ensured by the application of specific preventive controls carried out by the Credit Department of the Parent Company, in the pre-investigation and pre-trial phase, for each loan application processed within the processes of granting and managing credit by the Affiliated Banks and of the Parent Company.

Exposure to concentration risk is also measured and monitored in terms of capital absorption. To this end, the Group uses the following calculation metrics:

- with regard to single-name risk definition (i.e. concentration towards individual counterparties or groups of connected counterparties), the regulatory Granularity Adjustment (GA) algorithm. For the application of this algorithm, Circular 285/13 of the Bank of Italy refers to the concept of loan portfolio and, in particular, to exposures to companies that do not fall within the "retail" class. In this regard, reference should be made to the asset class "companies and other entities", "short-term exposures to companies", "exposures to companies in the asset classes that are past due and secured by real estate", "equity exposures" and "other exposures". The exposures also include off-balance sheet transactions, the latter to be considered for an amount equal to their credit equivalent. In the presence of credit protection instruments that meet the (objective and subjective) eligibility requirements under the current rules for credit risk mitigation techniques (CRM), exposures to companies backed by guarantees provided by eligible companies are included in the calculation and exposures to companies backed by guarantees provided by eligible entities other than companies are excluded. In application of this algorithm, the quantification of the internal capital in relation to the concentration risk requires preliminary:
  - determination of the amount of exposures for individual counterparties or groups of related counterparties;
  - calculation of the Herfindahl index, a parameter that expresses the degree of concentration of the portfolio;

- calculation of the proportionality constant C which is a function of the “probability of default” (PD) associated with cash loans. The proportionality constant is determined on the basis of a specific calibration – established by the regulatory provisions in force – of the constant itself when the PD attributed to cash loans changes;
- with reference to the geo-sectoral profile of the risk, the methodology for estimating the effects on internal capital used is the method developed by the ABI Laboratorio per il Rischio di Concentrazione [Laboratory for Concentration Risk]. The objective of measuring the impacts of geo-sectoral concentration risk is to estimate any capital add-on with respect to the standardised credit risk model, measured by the Herfindahl indicator at industrial sector level. The capital add-on is envisaged only if the calculated mark-up coefficient is greater than one.

## Liquidity and funding risk

Liquidity risk relates to the possibility of the Group not being able to fulfil its payment obligations due to an incapacity to obtain new funds (funding liquidity risk), its inability to sell its assets on the market (asset liquidity risk), or that it may be forced to liquidate its assets in unfavourable market conditions, incurring very high costs to meet these commitments (market liquidity risk).

Funding liquidity risk can be divided into: (i) mismatching liquidity risk, consisting of the risk associated with the different time profile of cash inflows and outflows determined by the misalignment of the maturities of financial assets and liabilities on (and off) the balance sheet; (ii) contingency liquidity risk, i.e. the risk that unexpected events may require a higher amount of cash and cash equivalents than estimated as necessary; and (iii) margin calls liquidity risk, i.e. the risk that the Group, in the event of adverse changes in the fair value of financial instruments, is contractually required to restore the reference margins by means of collateral/cash margins.

Liquidity risk can be generated by various factors both internal and external to the Group. The identification of these risk factors is done through:

- the analysis of the time distribution of cash flows of financial assets and liabilities and off-balance sheet transactions;
- the identification of:
  - items that do not have a defined due date (on demand and revocation items);
  - financial instruments that incorporate optional components (explicit or implicit) that may change the entity and/or the time distribution of cash flows (e.g. early redemption options);
  - financial instruments that by their nature determine variable cash flows depending on the performance of specific underlying assets (e.g. derivatives);
- the analysis of the level of seniority of financial instruments.

The Parent Company's Board of Directors has approved a document entitled “Group Regulation for Liquidity and Funding Risk Management” which defines the policies, responsibilities, processes, operational limits and tools for managing liquidity risk, both during normal business operations as well as during potential liquidity crises, in line with current liquidity regulations. The Regulation includes the strategies and organisational measures which serve to promptly contain liquidity risk; the ordinary and stress scenarios which the Group may encounter are defined. The sources of liquidity risk to which the Group is exposed can primarily be identified within the Treasury, Funding and Credit processes.

The Group has adopted a liquidity risk governance and management system that, in accordance with the provisions of the Supervisory Authorities, pursues the goal of financing the development of its activities at the best market conditions in normal operating circumstances and to guarantee the ability of meeting payment commitments even if a liquidity crisis situation emerges, without interrupting operational continuity or alter the Group's financial balance.

If the Parent Company finds a deterioration of the Group's liquidity position in terms of operational and/or intraday management such as to jeopardise the settlement of payment commitments in the short term, it can use the liquid assets owned by the Affiliated Banks, which are required to comply with the Parent Company's instructions. In order to ensure the operational requirements

envisaged by the Delegated Regulation no. 61/2015, the Affiliated Banks expressly agree that the securities in their own portfolios fall under the direct control of the Group Liquidity Management Function as a potential source of funding in times of stress.

With the purposes of knowing future liquidity requirements with adequate advance notice, to have available fund supply sources that can be activated within the time intervals and at the costs deemed appropriate, and to carry out the activity efficiently, the management of liquidity risks requires:

- defining the organisational structure responsible for the preparation and implementation of the “Group Regulation for Liquidity and Funding Risk Management”;
- setting up an adequate information system to:
  - know and measure, at any time, the Group’s current liquidity position and its future evolution;
  - assess the impact of different scenarios, in particular of unforeseen and adverse conditions, on the future evolution of the Group’s liquidity position;
  - monitor the different fund procurement channels, in the evolution of their profiles in terms of times required for activation, amounts and costs;
- defining a Contingency Funding Plan, to be activated promptly if the Group experiences a liquidity crisis, establishing the chain of responsibility and the system of initiatives to overcome the crisis situation successfully.

The organisational structure tasked with governing and managing the operational and structural liquidity is the Treasury and Funding Service, part of the Parent Company’s Planning Department, which acts on the basis of the strategic guidelines defined by the Board of Directors, as well as the indications given by the Finance, Treasury and Funding Committee. Control activities are carried out by the Risk Management Department in coordination with the Treasury Department. The results of the control activities are passed on to the Board of Directors.

The principles for liquidity risk management are defined in the “Regulation for Liquidity and Funding Risk Management”. This document is divided into four processes:

- Operating Liquidity, whose objective is to assure the ability to meet expected and unexpected payment commitments by maintaining a sustainable ratio between incoming and outgoing cash flows. The management of operational liquidity is entrusted to the Parent Company’s Treasury and Funding Service and to the Structure that oversees Treasury at the Affiliated Banks, on the basis of indications received and in compliance with the guidelines established by the Parent Company’s Board of Directors. The main risk objective envisaged by the Group RAF to measure and govern the operational liquidity risk profile is the Liquidity Coverage Ratio (LCR), which aims to strengthen the short-term resilience of the liquidity risk profile by ensuring that sufficient high-quality liquid assets (HQLA) are held. On a weekly basis, a consolidated report is produced and sent to the Supervisory Authority, which monitors the short-term trend of the Group’s liquidity position. In September 2023, the Group prepared the SLT template (Liquidity Exercise Weekly), which provides a weekly snapshot of the consolidated liquidity position, concentration of secured and unsecured funding and the distribution of on demand deposits in relation to the type of counterparty. Within the analysis of operational liquidity, the Parent Company monitors intra-day liquidity by using the two indicators derived from the “Annual report on financial stability” of the Bank of Italy of November 2011 (LCNO – Largest cumulative net outflow and LIIP – Liquidity and intra-day payment commitments);
- Structural Liquidity, whose objective is to maintain an adequate ratio between medium/long term assets and total liabilities, in order to avoid pressures on current and prospective short-term sources; structural liquidity is managed by the Parent Company’s Treasury and Funding Service and by the Structure that oversees Treasury at the Affiliated Banks, which operate in accordance with the strategic guidelines laid down by the Board of Directors, and it is directed at assuring the financial balance of the structure by maturity over a time horizon exceeding one year. Through the analysis of the Group’s structural liquidity position, the ability to finance assets and to meet payment commitments through an adequate balance of the maturity of asset and liability items is assessed. Hence, the main objective is to manage funding through strategic decisions pertaining to funding sources and to the loans to be made in such a way as to prevent the emergence

of excessive imbalances deriving from short-term financing of medium-long term operations. To measure and control structural liquidity risk, the Group uses as a reference the Net Stable Funding Ratio (NSFR);

- Stress test and scenario analysis, a process during which the financial balance is assessed in plausible, albeit improbable, extreme conditions. The data collected through reports during the year, along with the historic records of the same types of data, provide support in the execution of stress tests and scenario analyses, carried out with the goal of verifying the Group's ability to address alert and crisis conditions outside normal operations. The procedure for carrying out operational liquidity stress tests entails modifying the profile of incoming and outgoing cash flows on the basis of the effects deriving from the occurrence of stress cases. These cases, tied to factors inside and outside the Group, are selected taking into consideration scenarios built ad hoc, which can prove to be sufficiently severe, and contemplating even low-probability events. The Risk Management Department, with the support of the Parent Company's Treasury Service, periodically estimates the maximum amount of liquidity that can be obtained at the Parent Company level (back-up liquidity estimates). Moreover, the amount of available margin of high-quality liquid assets at Affiliated Banks is also shown. This type of analysis is carried out with respect to the time horizon of 30 calendar days following the valuation date;
- Contingency Funding Plan (Emergency Plan), a process directed at managing the emergence of a severe liquidity crisis of the Group. This document governs the tools for monitoring the onset of a crisis, the internal escalation processes for managing it and the actions that can be put in place to restore a situation of equilibrium.

The liquidity risk tolerance thresholds are set by the Board of Directors on the basis of the following limits:

- for Operational Liquidity, the limit is set to the value assumed by the Liquidity Coverage Ratio (LCR) indicator, i.e. the ratio between basic and supplementary liquid assets and total net cash outflows in the 30 subsequent calendar days in a stress scenario. The structure of the indicator is based on Commission Delegated Regulation (EU) no. 2015/61, supplementing Regulation (EU) no. 575/2013 (CRR) and hence transposes into Italian law the provisions of the Basel Committee in the document "Basel 3 – The Liquidity Coverage Ratio and liquidity risk monitoring tools". With reference to the monitoring of operational liquidity, a series of additional indicators were identified;
- for Structural Liquidity, the limit is set at the value assumed by the Net Stable Funding Ratio (NSFR) indicator, i.e. by the ratio between the elements that provide stable financing and the elements that require stable financing. The structure of the indicated is based on Regulation (EU) no. 2019/876, which recognised the guidelines of Basel Committee "Basel III: the Net Stable Funding Ratio", of October 2014. With reference to the monitoring of structural liquidity, a series of additional indicators were identified.

If the Risk Limits are exceeded, actions and measures are envisaged with the aim of reducing the level of risk to within the pre-established limits identified in the "Group Regulation for the Management of Liquidity and Funding Risk", identifying actions to be taken when the first critical situations occur. Therefore, escalation processes were envisaged: they will be activated if the Risk Management Department, through its periodic monitoring activities, finds changes in the thresholds envisaged in the Regulation. Moreover, the Risk Management Department, as part of its ordinary monitoring reporting, informs the corporate bodies of the individual Affiliated Banks concerned and the corporate bodies of the Parent Company about the overrunning of the thresholds and about the remediation actions taken to restore the liquidity position.

Regulation (EU) no. 575/2013 (CRR) prescribes that financial intermediaries shall use Additional Liquidity Monitoring Metrics (ALMM) to obtain a full picture of the liquidity risk profile. Specifically, the Implementing Regulation (EU) no. 2016/313 prescribes that the following 6 models must be set up as control information instruments:

- **Funding concentration by counterparty:** its purpose is to collect information about funding concentration by counterparty of the reporting entities, highlighting the first ten funding contributors;
- **Funding concentration by type of product:** its purpose is to collect information about funding concentration by type of product of the reporting entities, broken down by the following types of funding: retail funding and wholesale funding;
- **Prices for funding of various durations:** its purpose is to collect information about the average value of the transactions and the average prices paid by the entities for funding with duration ranging from overnight to 10 years;



- **Renewal of the funding:** its purpose is to collect information about the volume of funds due and on the new funding obtained, i.e. on the renewal of funding at the daily level over a one-month time horizon;
- **Concentration of the offsetting capacity by issuer/counterparty:** its purpose is to collect information about the concentration of the offsetting capacity of the reporting entities with reference to the 10 main assets held or liquidity lines granted to the entity for that purpose;
- **Maturity Ladder:** used to represent assets and liabilities falling due, divided into a number of time brackets; it is possible to determine any gaps for each time bracket and compare them with the Group's compensation capacity.

These information models are drawn up monthly and the Group, in the face of possible critical situations, assesses whether to activate appropriate governance strategies to avoid the emergence of stress situations.

The monitoring of the Group's liquidity situation, based on the reports, on the scenario analyses and on the signals provided by the risk indicators, is carried out, according to their related competences and functions, by the Parent Company's Treasury and Funding Service, by the Finance and Treasury Committee and by the Risk Management Department.

The positioning of the Group with regard to operational and structural liquidity is also reported to the Board of Directors on a quarterly basis.

The requirements of the Cassa Centrale Group are largely ascribable to decreases in liquidity available to shareholder banks or clients; the Group's ability to respond to its own needs is constantly assessed, taking into account in particular the following:

- availability and price of securities that can be easily liquidated;
- availability of credit within the interbank system;
- potential of institutional bond funding;
- use of other funding tools.

With regard to attainable credit and the potential for bond funding, the Group adopts the best practices in order to safeguard or improve the ratings attained thus far. The internal regulation of liquidity risk management meets the requirements set out in the regulatory provisions and guarantees consistency between the management measurements and the regulatory ones.

With regard to monthly monitoring, the Group measures and monitors its exposure to operating liquidity risk at 30 days through the regulatory indicator called Liquidity Coverage Ratio (LCR). It is a short-term rule aimed at ensuring the availability of liquid assets by individual banks that allow them to survive in the short to very short term in the event of acute stress, without recourse to the market. The indicator compares the liquid assets available to the Group with net cash outflows (difference between gross outflows and inflows) expected over a 30-day time period, the latter developed taking into account a predefined stress scenario.

The indicator in question is determined monthly through the specific Supervisory Reports that the Group is required to send to the Supervisory Authority.

## 6.3 - Supervisory review and evaluation process and MREL requirement

With reference to the outcome of the SREP – Supervisory Review and Evaluation Process communicated by the Supervisory Authority by the Parent Company with the letter dated 10 December 2024, and effective from 1 January 2025, the Group is required to meet, on a consolidated basis, a total SREP capital requirement (TSCR) of 10.50%, including an additional requirement with regard to Pillar 2 (P2R) own funds of 2.50%, to be held as a minimum in the form of Common Equity Tier 1 (CET 1) capital for 56.25% and in the form of Tier 1 capital of 75%).

The Supervisory Authority also expects the Group to meet the Pillar 2 (P2G) approach on a consolidated basis, which should consist entirely of Common Equity Tier 1 capital and held in addition to the total capital requirement.



Lastly, with reference to the Resolution regulatory framework, in application of the European Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (the so-called BRRD), during the 2024 Resolution Cycle discussions continued with the SRB (Single Resolution Board), in order to define the MREL (Minimum Requirement of Eligible Liabilities) targets to be assigned to the Group.

The determination of the MREL requirement was communicated to the Parent Company in March 2025, replacing the previous decisions. For details, please refer to the section “Significant events during the period” of this Report.

## 6.4 - ICAAP and ILAAP

The corporate self-assessment processes of capital adequacy (known as ICAAP) and liquidity risk management and governance system (known as ILAAP) of the Group and their structure are based on a management model consistent with the operations and complexity of the Group, according to the principle of proportionality.

In the exercise of guidance, coordination and control over the Affiliated Banks and Group Companies, the management model defines in detail the roles and responsibilities of the corporate bodies and structures involved in the management of the ICAAP/ILAAP process. In particular, to achieve an effective and efficient management and control system, the Bodies are responsible for implementing it, supervising its actual functioning and verifying its overall functionality and compliance with the regulatory requirements. In order to achieve an integrated and coherent risk governance policy, Group strategic decisions are made by the Parent Company's corporate bodies, assessing the overall operations and risks of the entire Group with attention to the peculiarities of the different businesses and local contexts. The Parent Company has therefore adopted a unitary and integrated system of internal controls that allows effective control over strategic decisions at consolidated level and the managerial balance of the individual affiliated banks and other companies that have outsourced the Risk Management function to the Parent Company.

In particular, in compliance with the structure of the ICAAP/ILAAP process provided for by the Supervisory Provisions, procedures were defined for:

- the identification of all risks to which the Group is or could be exposed, i.e. risks that could jeopardise its operations, the pursuit of defined strategies and the achievement of corporate objectives;
- the measurement/assessment of risks in current, prospective and stress scenarios with measurement methodologies adapted to the new supervisory provisions;
- the self-assessment of capital adequacy taking into account the results separately obtained with reference to the measurement of risks and of capital from a current, prospective and stress perspective;
- the self-assessment of the adequacy of the liquidity and funding risk management process, taking into account the results obtained with reference to the measurement of liquidity risk from a current, prospective and stressed perspective.

The assessment conducted by the Risk Management Department confirmed the general and overall level of adequacy of the ICAAP and ILAAP system adopted by the Group, as summarised by the satisfactory free capital buffer and high adequacy of the LCR and NSFR liquidity indicators in relation to minimum regulatory requirements.

## 6.5 - Climate and Environmental Risks

The integration and management of climate and environmental risks (i.e. C&E) in the regulatory and prudential supervisory framework is of major importance for European Supervisory Authorities. As also indicated in the ECB “Guide on climate-related and environmental risks”, the process leading towards a transition to a more sustainable economy entails – simultaneously – risks and opportunities for the entire economic system and for financial institutions; on the other hand, damage from physical events caused by climate change and environmental degradation can generate very significant impacts on the real economy and the financial sector.

This includes the provisions of the “ECB’s Supervisory Expectations on climate-related and environmental risks”, which aim to ensure that climate and environmental risks are fully integrated into the Group’s strategy, as well as into the overall risk management system, in order to mitigate and communicate them in accordance with the relevant regulatory requirements.

Over the last four years, also in response to discussions with the Supervisory Authority, the Group has started a progressive process of self-assessment and alignment to the “Supervisory Expectations on C&E risks” articulated in the following main stages:

- in 2021 with the first self-assessment questionnaire with respect to the degree of alignment with the ECB’s “Supervisory Expectations on climate-related and environmental risks” (the “ECB Guidelines”) and the related definition of an initial Action Plan aimed at enabling full alignment. As part of the ICAAP and ILAAP process, the Group already in 2021 had identified a number of evolutionary areas required to respond to the changing needs of the business and regulatory environment related to the analysis of climate and environmental risks and the need to incorporate assessments related to the evolution of these risks and their impacts on the Group’s business model and control framework. Similarly, within the Risk Appetite Framework (RAF), the process of gradually integrating climate and environmental risks was initiated with the provision of initial monitoring indicators, as an expression of the Group’s adaptation process, in line with the Group’s ICAAP/ILAAP Report;
- in 2022, the Group was then involved in two separate exercises: firstly, the Thematic Review on C&E risks aimed at assessing the Group’s overall compliance with the aforementioned ECB Guidelines and then the first regulatory stress test on climate and environmental risks (CST 2022). The stress test was structured around three modules aimed at assessing exposure to climate and environmental risks through:
  - a qualitative questionnaire on the Stress Test Framework on climate and environmental risks covering 11 subject areas;
  - definition of two climate metrics aimed at assessing the Group’s level of exposure and sensitivity to the risk of transition to an economy with a lower environmental impact through the analysis of revenues and exposures related to counterparties belonging to carbon-intensive sectors;
  - bottom-up projections to quantify the economic impacts of climate and environmental risks resulting from the adjustment process towards a more sustainable economy and from extreme weather events in terms of credit, market and operational risk;
- in 2023, with the formalisation of the first materiality analysis of climate and environmental risks and the definition of a new “Strategic and Operational Climate and Environmental Risk Integration Plan” aimed at ensuring a sound, effective and integrated management of climate and environmental risks in terms of operating environment and strategy, governance and risk appetite, and more generally of the risk management system. This Plan consists of 21 initiatives – over the 2023/2025 plan period – divided into five macro areas (materiality assessment, operating context and strategy, governance and risk appetite, risk management system, and credit risk), for each of which the intermediate and final phases and objectives are described;
- in 2024, the Group was involved in two separate concomitant exercises:
  - feedback on the requirements and recommendations contained in the “ECB Decision relating to the risk identification process for climate-related and environmental risks”, which led to the formalisation of: i) an updated and enhanced “Climate-related and environmental risk materiality assessment”, ii) an impact assessment of climate-related and environmental risks on the Group’s operating environment, iii) an updated and enhanced definition of the business strategy elaborated in the C&E Strategic and Operating Plan;
  - the one-off “Fit-for-55 climate risk scenario analysis” exercise, intended to assess the level of resilience of the financial sector to the package of reforms (“Fit for 55”) presented by the European Commission in 2021 and found in the Green Deal and, in general, the capacity of the same system to support the transition to a low-carbon economy under stress conditions.

As for the “Fit for 55” exercise, it is worth noting the opinion of high quality of the data assigned, which, similar to what was found in the previously mentioned climate stress test exercise in 2022 (CST2022), confirms the Group’s position as top performer in the sample group, with a very low number of quality problems compared to the average. Additionally, in the last quarter

of the financial year, the Risk Management Department published the first version of the ESG Risk Report, at the consolidated and individual level. This report, created by adapting content prepared to meet the requirements of the Supervisory Authority, focuses on credit, liquidity, market, strategic, operational and real-estate-guarantee risks and is aimed at periodic monitoring of the main climate, environmental and ESG risks.

In the first half of 2025, the Group updated its materiality analysis of climate-related and environmental risks, conducted in accordance with the relevant regulations and the specific C&E risk identification process started in 2023 and consolidated in the following two years.

Other formalised developments included: i) estimation of the impact of transition risk on the scope of residential real estate as collateral; ii) assessment of non-climate environmental risks on the scope of non-financial companies by means of quantitative indicators measuring impact and dependence on natural capital, broken down into physical risks (ecosystem degradation) and transition risks (land use change).

Within the Group Risk Map, C&E risks are defined as “risks arising from climate change and environmental degradation, which give rise to structural changes affecting economic activity and, consequently, the financial system”. C&E risks can be broadly divided into the following two categories:

- Physical risk: i.e. the financial impact of climate change, including more frequent extreme weather events and gradual changes in climate, as well as environmental degradation, i.e. air, water and soil pollution, water stress, loss of biodiversity and deforestation;
- Transition risk: i.e. the financial loss that an institution may directly or indirectly incur as a result of adjusting towards a low-carbon and more environmentally sustainable economy.

Generally speaking, the Group’s Risk Appetite Framework has a series of first-level Climate & Environmental indicators including alert and tolerance thresholds (“main panel” or “primary” indicators) that complement the secondary (monitoring) thresholds, which if exceeded may, in any case, trigger escalation mechanisms, as provided for by the Group’s RAF Regulation. The metrics of the RAF are regularly monitored and reported on, at least quarterly. Reaching the thresholds identified for the indicators included in the RAS panel triggers an internal escalation process to the competent Corporate Bodies.

## 6.6 – Corporate governance report and ownership structure – the system of internal controls

The Cassa Centrale Group has created a structured system of internal controls which, on a daily basis and proportionally to the complexity of the activities carried out, involves the entire organisational structure and conforms to the legislation governing the “Internal Control System”, reported in Part One, Title IV, Chapter 3 of Bank of Italy Circular 285/2013 and subsequent updates.

The Cassa Centrale Group attributes strategic importance to the integrated management of controls and related risks as they constitute, among other things:

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

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

of the individual Group Companies. This system consists of all the rules, functions, structures, resources, processes and procedures that aim to ensure, in compliance with sound and prudent management, the achievement of the following objectives:

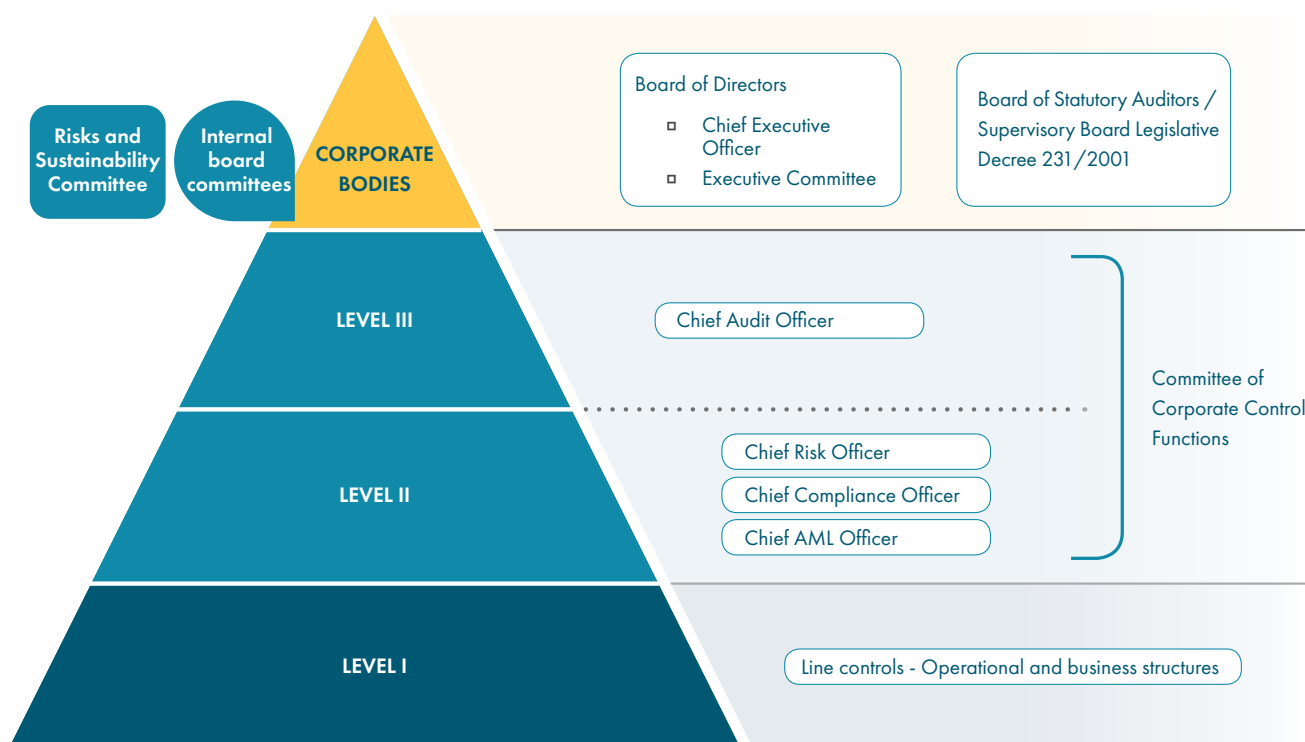
- verification of the implementation of company strategies and policies;
- containment of risks within the limits indicated in the Group's Risk Appetite Framework (RAF);
- safeguarding the value of assets and protection against losses;
- effectiveness and efficiency of business processes;
- reliability and security of company information and IT procedures;
- prevention of the risk that the Group may be involved, even involuntarily, in illegal activities (with particular reference to those connected with money laundering, usury and terrorist financing);
- compliance of the company's operations with the law and supervisory regulations, as well as with internal policies, regulations and procedures.

The Group's internal control system includes, in keeping with regulatory and legislative provisions in force, the following types of controls:

- **line controls** ("first-level controls"): controls which are designed to ensure the proper conduct of operations (e.g. hierarchical, systematic and spot checks) and which, as far as possible, are incorporated into computerised procedures. These are carried out by the operational structures themselves, including through units dedicated exclusively to control tasks that report back to the managers of the structures, i.e. performed within the back office. The operational structures are primarily responsible for the risk management process; in the course of day-to-day operations, these structures must identify, measure and assess, monitor and control, mitigate and communicate risks arising from ordinary business operations in accordance with the risk management process. They must comply with their assigned operational limits in line with the risk objectives and the procedures in which the risk management process is structured;
- **controls on risks and compliance** ("second-level controls"): controls designed to ensure, *inter alia*:
  - the proper implementation of the risk management process;
  - compliance with the operational limits assigned to the various Functions;
  - compliance of the company operations with regulations, including self-regulations.

The Functions responsible for these controls are separate from the production functions; they contribute to the definition of risk management policies and the risk management process;

- **internal audit** (so-called "third level controls"): internal audit controls aimed at identifying breaches of procedures and regulations and periodically assessing the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and the information system (ICT audit) at Group level, at predetermined intervals in relation to the nature and intensity of the risks.



The Parent Company's corporate bodies, the Parent Company's Risks and Sustainability Committee, the Committee of Corporate Control Functions, as well as the Corporate Control Functions themselves represent the main players in the internal control system.

Specifically:

- the **Board of Directors**, as a body with strategic supervision functions, it defines and approves the business model, strategic guidelines, risk appetite, tolerance threshold (where identified) and risk management policies, the guidelines of the internal control system, the criteria for identifying the most significant transactions to be submitted to the prior scrutiny of the Risk Management Department and the general terms of the ICAAP/ILAAP process, ensures its consistency with the RAF and the timely adjustment in relation to significant changes to the strategic guidelines, the organisational structure, and the reference operating context;
- the **Risks and Sustainability Committee** is responsible for the tasks assigned to it by the regulations in force from time to time and by the Board of Directors, also with regard to the Affiliated Banks and, in particular, it performs support functions for the Parent Company's Board of Directors with regard to risks and the internal control system, paying particular attention to all activities that are instrumental and necessary for the Parent Company's Board of Directors to arrive at a correct and effective determination of the Risk Appetite Framework (RAF) and risk management policies;
- the **Board of Statutory Auditors**, as the body with control functions, is responsible for overseeing the completeness, adequacy, functionality and reliability of the internal control system and the RAF at Group level, in accordance with the provisions of current legislation, the Cohesion Contract and the Articles of Association of Cassa Centrale Banca;
- the **Supervisory Board pursuant to Legislative Decree 231/2001**, in implementation of the provisions of Legislative Decree 231/2001 and in accordance with the Organisation, Management and Control Model adopted by the Bank, is responsible for supervising the operation of and compliance with 231 Model and informing the Board of Directors of the need to update it;
- the **Executive Committee**, in compliance with the provisions of the Articles of Association, is responsible for implementing the policies on corporate governance and risk management;
- the **Chief Executive Officer** is responsible for executing the Board of Directors' resolutions, with particular reference to implementing the strategic guidelines and risk management policies defined by the Board of Directors;

- the **Committee of Corporate Control Functions**, consisting of the managers of the corporate control Functions, carries out the coordination and integration activities of the Functions overseeing the internal control system.

The Group's corporate control Functions are represented by the following structures:

- Internal audit function (**Internal Audit Department**);
- Risk control function (**Risk Management Department**);
- Compliance function (**Compliance Department**);
- Anti-money laundering function (**Anti-Money Laundering Department**).

Under the Group's organisational model, the tasks and responsibilities of the second-level control function for the management and control of ICT and security risks are assigned to the Compliance Department and the Risk Management Department, to the extent of their competence.

### 6.6.1 - The model adopted for the Group

The regulatory provisions for Banks in relation to the Cooperative Banking Group issued by the Bank of Italy establish that the corporate control Functions for affiliated Cooperative Credit Banks are carried out under an outsourcing regime by the Parent Company or other companies of the Group.

The Parent Company carries out its tasks in compliance with the following criteria:

- the corporate bodies of the members of the Group are aware of the choices made by the Parent Company and are responsible, each according to their own competencies, for the implementation, within their respective business realities, of the strategies and policies pursued in the field of controls, favouring their integration within the scope of Group controls;
- special internal representatives are appointed within the Companies that have outsourced the Function who: i) perform support tasks for the outsourced control Function and hierarchically to the Bank's Board of Directors; ii) report functionally to the outsourced control Function; iii) promptly report particular events or situations, which may change the risks generated by the subsidiary.

Within the scope of the internal control system, of those companies that have outsourced the corporate control functions, the Boards of Directors perform the activities for which they are responsible in accordance with the provisions of the Articles of Association and the principles laid down in the regulations that the Parent Company (in fulfilment, with regard to the affiliated Banks, of the provisions of the Cohesion Agreement) has issued in this area, taking decisions, in particular on:

- the guidelines of the internal control system;
- setting up corporate control functions;
- the appointment and dismissal, in consultation with the Board of Statutory Auditors, of contact representatives; and,
- the approval of the departments' annual work programmes.

For companies that have outsourced corporate control functions, the Board of Statutory Auditors performs its assigned activities in accordance with the provisions of the Articles of Association and the principles laid down in the regulations that the Parent Company (in fulfilment, with regard to the Subsidiary Banks, of the provisions of the Cohesion Agreement) has issued in this area.

The Supervisory Board, pursuant to Legislative Decree no. 231/2001, has the task of supervising the operation of and compliance with the company's organisation, management and control model and the guidelines on the administrative liability of entities within the Group.

The General Manager of the Companies that have outsourced corporate control functions performs the activities under their responsibility in accordance with the Articles of Association and the principles laid down in the regulations that the Parent

Company (in fulfilment, with regard to the Subsidiary Banks, of the provisions of the Cohesion Agreement) has issued in this area; the General Manager, in particular, implements the resolutions of the corporate bodies in accordance with the provisions of the Articles of Association, pursues management goals and supervises the performance of operations and the functioning of the services as per the instructions of the Board of Directors, ensuring that the organisation is managed as a single entity and that the internal control system operates effectively.

The internal representatives of the individual Companies that have outsourced the Control Function support said outsourced corporate function, report functionally to the same and promptly report particular events or situations, which are likely to modify the risks generated by the subsidiary.

The bodies and the General Manager, where appointed, of the companies that have not outsourced corporate control functions perform the same activities as those falling within their remit, in accordance with their respective by-law provisions and the principles laid down in the regulations issued by the parent company in this area. The internal corporate control Functions, where present, in compliance with the rules applicable to them, carry out their activities in line with the principles and provisions issued by the Parent Company.

In order to ensure guidance and coordination, the Parent Company oversees Group Companies through the continuous exchange of flows, information and data in order to carry out management control that is useful for ensuring the balanced maintenance of economic, financial and equity conditions, the level of risk and, more generally, the integrated internal control system at Group level as a whole.

### **6.6.2 – Main features of the existing internal control and risk management systems in relation to the financial reporting process (Art. 123-bis, paragraph 2, letter B) of the TUF).**

This section of the Report on Operations has been prepared pursuant to the regulations under Art. 123-bis of Italian Legislative Decree no. 58 of 24 February 1998 (hereinafter "TUF"), which the Group must observe as an issuer of debt securities (EMTN) listed on the Irish Stock Exchange. Nevertheless, since Cassa Centrale Banca has not issued shared eligible for trading on regulated markets or in multilateral trading facilities, this disclosure is limited to the provisions of Art. 123-bis, paragraph 2, letter b) of the TUF as a result of the exemption set out by Art. 123-bis, paragraph 5.

The activities and control processes relating to the production of data required to prepare the financial reporting subject to publication (annual consolidated financial statements, condensed half-yearly consolidated financial statements) are an integral part of the Group's general control system used to manage risk.

These operating aspects aim to pursue and guarantee adequate reliability, accuracy and timeliness of financial reporting, with the awareness that no internal control system can rule out entirely risks associated with errors or fraud, but merely assess them and mitigate their probability and related effects.

The control system in question is based on the guidelines described in more detail below:

- the administrative facts reach the accounting system through specific transactions managed by various sub-systems. The line controls are processed within the IT and management procedures for transactions or by Organisational Units established to oversee them. Organisational procedures assign the responsibilities for verifying accounting results to the heads of the Organisational Units. Second-level controls are carried out by the organisational unit in charge of managing general accounting and preparing the annual and half-yearly situations. The controls can be daily, weekly, or monthly depending on the frequency and type of transactions and data processed;
- the most relevant impact assessment components of the accounting situations are implemented by specialised structures or, in specific cases, submitted for evaluation by an independent expert. Data related to the fair value measurement of the financial items and those related to hedging relationships and related efficacy tests are provided by specialised structures, equipped with adequate calculation tools. Data related to the classification and measurement of non-performing loans are provided by separate structures with a high level of specialisation, which perform their own operations on the basis of policies approved by the Board of Directors. With specific reference to this latter aspect, the data are then

reviewed by the competent structures identified within the Risk Management Department and the Administration and Tax Reporting Department.

The annual consolidated financial statements and the condensed half-yearly consolidated financial statements are subject respectively to statutory audit and limited audit by Deloitte & Touche S.p.A., which is also responsible for the financial audit pursuant to Art. 14 of Legislative Decree 39/2010.

With reference to the “Transparency Directive”, the Parent Company has chosen Ireland as the Member State of origin, since a significant portion of its transferable securities are concentrated in that stock exchange; consequently, Cassa Centrale Banca did not appoint a Financial Reporting Officer pursuant to the TUF, given that the legislation of reference does not require one.

For further details, please refer to the specific information in this chapter and in the previous section 1.3 “Corporate governance”.

## 6.7 - Internal audit function

The Internal Audit Department oversees, according to a risk-based approach, on the one hand, the control of the regular performance of operations and development of risks and, on the other hand, the evaluation of the completeness, adequacy, functionality and reliability of the organisational structure and other components of the internal control system, bringing possible improvements to the attention of corporate bodies, with particular reference to the Risk Appetite Framework (RAF), the risk management process and the instruments for measuring and controlling risks and making recommendations to corporate bodies.

This Function – which is separate from the other corporate control Functions from an organisational point of view – reports directly to the Board of Directors of Cassa Centrale Banca and has specific requirements such as independence, authority and professionalism, which are necessary to ensure effectiveness and efficiency in the performance of its duties. It operates according to principles defined by the Code of Ethics of the Function based on the diligence and professionalism of its employees, in light of the awareness that an effective preventive activity can only be effectively implemented if all staff are duly made aware of their responsibilities and if a culture based on the value of integrity (honesty, fairness, responsibility) and on a set of values to be recognised and shared at all organisational levels is promoted.

The Internal Audit Department operates, for the Affiliated Banks, under an outsourcing of control functions regime in compliance with the service levels established and formalised in the agreement to outsource the Function and avails itself of the collaboration and support of the internal representatives of the same, who report functionally to the Manager of the Internal Audit Department of the Parent Company and hierarchically to the Bank's Board of Directors. With similar operating procedures, the Internal Audit Department also operates for Group Companies that sign an agreement to outsource the Function.

The main activities of the Internal Audit Department are the following:

- assessing the completeness, adequacy, functionality, reliability of the other components of the ICS, the risk management process and other business processes, also taking into account the ability to identify errors and irregularities. In this context, it reviews, among other things, the second level corporate control Functions (Risk Management, Compliance, Anti-Money Laundering);
- annually submitting a risk-based Audit Plan to the corporate bodies for approval, which reports the planned audit activities and takes into account the risks of the various corporate activities and structures. The Plan contains a specific section relating to the audit of the information system (so-called ICT Audit);
- assessing the effectiveness of the RAF definition process, the internal consistency of the overall scheme and the compliance of the company's operations with it and, in the case of particularly complex financial structures, their compliance with the strategies approved by the corporate bodies;
- assessing the consistency, adequacy and effectiveness with respect to the governance mechanisms described in the business model and carrying out periodic tests on the functioning of operational and internal control procedures;
- regularly checking the business continuity plan;



- carrying out detection tasks regarding specific irregularities as well;
- carrying out, on request, verifications in particular cases (so-called Special Investigation) for the reconstruction of facts or events considered to be of particular importance;
- coordinates with the other corporate control Functions in order to adopt consistent and integrated risk measurement and assessment methodologies, in order to share priorities for risk-based intervention and providing a common and integrated representation of the areas of greatest risk;
- if, as part of the collaboration and exchange of information with the manager of the statutory audit, it becomes aware of critical issues that have emerged during the statutory audit activity, it shall take steps to ensure that the competent corporate Functions adopt the necessary measures to overcome such critical issues.

In accordance with the reference standards, and in order to fulfil the responsibilities assigned to it, the Internal Audit Department:

- has access to all the central and peripheral activities of Cassa Centrale Banca and the Group Companies and to any information relevant for this purpose, including through direct contact with staff;
- includes personnel (i) who are adequate in number, technical/professional skills and updated; (ii) who are not involved in activities that the Function must control, and (iii) whose remuneration criteria do not compromise their objectivity and help to create a system of incentives in line with the goals of the Function itself.

## 6.8 - Risk control function

The Risk Management Function, as part of the Group's internal control system, fulfils the responsibilities and tasks envisaged by the Bank of Italy Circular 285/2013 for the risk management function. It provides useful elements to Corporate bodies in the definition of guidelines and policies on risk management and ensures the measurement and control of the Group's exposure to different types of risk. The Department Manager reports directly to the Corporate Bodies and is accountable to them in the performance of their duties and responsibilities.

The Risk Management Function is also responsible for identifying, measuring and monitoring the risks assumed or assumable, establishing the control activities and ensuring that the anomalies found are brought to the attention of the corporate bodies so that they can be appropriately managed.

The Risk Management Department is also given the responsibilities and tasks of the ICT and security risk control function provided for by Circular 285/2013, in according to the allocation of tasks established in agreement with the Compliance Department.

The Risk Management Department operates Companies that have outsourced the function, under an outsourcing regime, in compliance with the service levels established and formalised in the agreement for outsourcing the Risk Management Function, and avails itself of the cooperation and support of their internal representatives, who report functionally to the Manager of the Risk Management Department of the Parent Company.

Within this scope, the Risk Management Department:

- guarantees the effective and proper implementation of the process of identifying, evaluating, managing and monitoring the risks undertaken, whether current or prospective;
- coordinates the process of defining, updating and managing the Risk Appetite Framework (RAF), within which it has the task of proposing the qualitative and quantitative parameters necessary for the definition of the RAF;
- checks the adequacy of the RAF;
- is responsible for defining the operational limits to the assumption of the various types of risk, as well as for verifying their adequacy on a continuous basis;
- assesses, at least annually, the robustness and effectiveness of the stress tests and the need to update them;

- is responsible for the development, validation, maintenance and updating of risk measurement and control systems, ensuring that they are subject to periodic backtesting, that an appropriate number of scenarios are analysed and that conservative assumptions are used on dependencies and correlations;
- is responsible for the analysis and assessment of the Model Lifecycle Management (MLM) process, ensuring the proper performance of controls of process steps and the supervision of the corresponding flow of reporting;
- defines common metrics for assessing operational risks in line with the RAF and methods for assessing and controlling reputational risks in coordination with the Compliance Department and the relevant Structures;
- assists corporate bodies in assessing strategic risk by monitoring significant variables;
- ensures the consistency of the risk measurement and control systems with the processes and methodologies for assessing company activities, coordinating with the appropriate company structures;
- develops and applies indicators capable of highlighting anomalous and inefficient situations in risk measurement and control systems;
- verifies, on an ongoing basis, the presence of adequate risk management processes;
- analyses and assesses risks deriving from new products and services and from entry into new operating and market segments, including by assuming different risk scenarios and evaluating the bank's ability to ensure effective risk management;
- provides prior opinions on the consistency of MSTs with the RAF, including those that have outsourced the Function, also contributing to defining the parameters for their identification, where appropriate, and obtaining the advice of other Functions involved in the risk management process;
- issues its own prior assessment of the Group's Governance Rules in order to assess their consistency with the overall risk management and control framework it oversees. Exceptions are documents for which the Function, having considered the nature of the contents and/or the changes, does not see any impact on the framework it oversees. The assessment is issued as described in the internal Group regulations for managing internal regulations and information flows;
- measures and monitors the current and prospective exposure to risks, also at Group level, and its consistency with the risk objectives, as well as the compliance with the operational limits, making sure that the decisions on risk taking taken at the different corporate levels are consistent with the advice provided;
- is responsible for activating monitoring activities on the actions put in place if targets/thresholds/limits are exceeded and for communicating any critical issues until the thresholds/limits return within the established levels;
- carries out second-level checks on credit exposures;
- identifies the corrective actions required to overcome any critical issues detected during the annual programme, communicates such actions to the owner structures and periodically monitors the implementation status and compliance with deadlines of the corrective actions by the owner structures;
- in case of violation of the RAF, including the operational limits, it assesses the causes and the effects on the business situation, also in terms of costs, it informs the business units concerned and the corporate bodies, and proposes corrective measures. It ensures that the body with strategic supervisory function is informed in case of serious violations; the risk control function has an active role in ensuring that the recommended measures are taken by the Functions concerned and brought to the attention of the corporate bodies;
- verifies the proper monitoring of the performance of individual credit exposures;
- verifies the adequacy and effectiveness of the measures adopted to remedy the shortcomings identified in the risk management process;
- contributes to ensuring the consistency of the remuneration and incentive system with the reference framework for determining the Bank's risk appetite (RAF);
- is responsible for assessing the adequacy of internal capital (ICAAP) and liquidity reserves (ILAAP);
- is responsible for preparing the public disclosure - Pillar III;

- is involved in defining the risk governance policies and the phases of the risk management process through the establishment of a system of policies, regulations and documents for the implementation of the risk limits for the Group;
- defines the metrics and methodologies for measuring and monitoring risks and the related guidelines to be adopted at the Group level;
- ensures, through reporting activities, a constant and continuous flow of information to the corporate bodies and other corporate control functions on the exposure to risks and the results of the activities carried out;
- oversees the process of assigning and updating the ratings used to assess the creditworthiness of the counterparties;
- oversees the processing of the classification of the risk-based model and, in agreement with the Planning Department, the activation of the appropriate corrective actions (i.e., Intervention Plan, Combination Plan);
- informs the Chief Executive Officer/General Manager of any exceeding of targets/thresholds/limits relating to the assumption of risks;
- prepares and submits to the Corporate bodies the report on the activities carried out by Management, in accordance with the provisions of the reference regulations;
- coordinates the recovery and resolution management processes;
- contributes to the dissemination of a control culture within the Group.

In the performance of their roles and responsibilities, the Risk Management Department also oversees the integration of risk factors associated with climate-related and environmental aspects in the risk governance process, in line with Supervisory Authority expectations. In particular, it documents this category of risk, specifying its transition channels and impact on the Group's overall risk profile, taking due account of the vulnerabilities of the economic sectors, the Group's operations and the counterparties with which it operates, on the basis of both quantitative and qualitative information. The Risk Management Department therefore guarantees that this risk category, like other categories, is identified, assessed, measured, monitored, managed and adequately communicated within the Group, including through regular and transparent reporting.

The Risk Management Department, in its role as ICT and security risk control department performs the monitoring and control of these risks, and ensures that ICT operations conform with the ICT risk management system. For this purpose:

- it helps to define the information security policy and is informed about any activity or event that could significantly affect the Group's risk profile, major operational or security incidents, or any substantial changes to the ICT systems and processes;
- is actively involved in the projects creating substantial changes to the information system and, in particular, in the risk control processes related to such projects.

As part of the Integrated Internal Control System, the Risk Management Department coordinates with the other corporate control functions in order to:

- adopt consistent and integrated risk measurement and assessment methods, providing a common and integrated representation of the areas of greatest risk;
- define risk-based intervention priorities;
- develop the sharing of operational and methodological aspects and the actions to be taken in case of significant and/or critical events in order to identify possible synergies and avoid potential overlapping and duplication of activities.

As part of the activities listed above, the Risk Management Department prepares annually a risk-based approach and submits an activity plan to the corporate bodies based on:

- the main risks to which the Group is exposed;
- any shortcomings emerging from the checks carried out;

- any elements identified by the Internal Audit Department, the Compliance Department or any findings reported by the Internal Validation Service;
- the risk objectives defined by the Group;
- any evidence emerged from discussions with the Supervisory Authorities.

## 6.9 - Compliance function

The Compliance Department of the Parent Company oversees, according to a risk-based approach, the management of the risk of non-compliance — understood as the risk of incurring judicial or administrative sanctions, significant financial losses or reputation damage as a result of violations of mandatory rules (laws or regulations) or self-regulation (e.g. Articles of Association, Cohesion Contract, Code of Ethics) — with regard to all company activity.

In particular, in its role as Parent Company Function, it exercises control over the risks impending on the activities carried out by all the Cassa Centrale Group Companies in order to assess the various risk profiles contributed by these Companies and the overall risks of the Group. This translates to the performance of specific monitoring and verification activities concerning the Cassa Centrale Group as a whole and/or individual Group Companies, which therefore guarantee adequate information flows and timely responses to specific requests and collaboration.

The Compliance Department is separate from the other corporate control Functions from an organisational point of view, it reports directly to the Board of Directors of Cassa Centrale Banca and has specific requirements such as independence, authority and professionalism, which are necessary to ensure effectiveness and efficiency in the performance of its duties.

The Compliance Department operates, for the Affiliated Banks, under an outsourcing regime in compliance with the service levels established and formalised in the Function outsourcing agreement and avails itself of the collaboration and support of the Internal Representatives of the same (and any operational support structures), who report hierarchically to the Board of Directors of the respective Company and, at the same time, report functionally to the Department Manager. With similar operating procedures, the Compliance Department also operates for the other Companies of the Cassa Centrale Group that sign an agreement to outsource the Function. This Department also carries out any further activities aimed at assessing and reporting the various risk profiles brought to the Group by the Companies and the overall risks of the Group.

For the regulations most relevant to the risk of non-compliance, such as those relating to the exercise of banking and brokerage activities, the management of conflicts of interest, transparency with customers and, more generally, consumer protection regulations, and for those regulations for which no specialised controls are already in place at the Parent Company, the Compliance Function is directly responsible for all non-compliance risk management processes. In the context of direct controls, the Compliance Function may make use of resources from other organisational structures (Specialised Support), which may be called upon to support the performance of one or more phases of the non-compliance risk management process.

For the monitoring of certain regulatory areas for which it is permitted by applicable regulations or for the performance of specific obligations in which the Compliance Department's activities are articulated, the same may make use of specialist control units, remaining in any case responsible for the definition of risk assessment methodologies. In particular, the role of specialist control units is attributed to the Tax Service and the Workplace Prevention and Protection Office, for the respective regulations indirectly supervised by the Function.

In particular, the Compliance Department:

- continuously identifies the applicable rules and assesses their impact on corporate processes and procedures;
- collaborates with the corporate structures for the definition of methodologies for the assessment of compliance risks;
- identifies suitable procedures and/or organisational changes for the prevention of the detected risk, with the possibility of requesting their adoption;

- verifies the adequacy and correct application of the procedures for the prevention of the detected risk;
- ensures ongoing and continuous monitoring of the adequacy and effectiveness of the measures, policies and procedures relating to investment services and activities;
- prepares information flows directed to the Corporate Bodies and structures involved (e.g.: operating risk management and internal audit);
- verifies the effectiveness of the organisational adjustments (structures, processes, procedures, including operational and commercial) suggested for the prevention of compliance risk;
- is involved in the ex-ante assessment of the compliance with applicable regulations of all innovative projects that the Company intends to undertake as well as in the prevention and management of conflicts of interest between the different activities carried out by the company and also with regard to employees and company representatives;
- provides advice and assistance to Corporate Bodies in all matters in which compliance risk is significant;
- carries out an analysis of complaints, arbitration, petitions and judicial authority rulings relevant to non-compliance risk management;
- collaborates in the training of staff on the provisions applicable to the activities carried out;
- provides, for the aspects within its competence, its contribution to the Risk Management Department in the assessment of risks, in particular those that cannot be quantified, as part of the process of determining capital adequacy;
- collaborates with the Risk Management Department, in line with the Risk Appetite Framework (RAF), to develop appropriate methodologies for the assessment of operational and reputational risks arising from any areas of non-compliance, also ensuring the reciprocal exchange of information flows suitable for an adequate oversight of the areas of competence;
- coordinates with the other corporate control functions in order to adopt consistent and integrated risk measurement and assessment methodologies and sharing priorities for risk-based intervention and providing a common and integrated representation of the areas of greatest risk;
- spreads a corporate culture based on the principles of honesty, fairness and respect for the spirit and letter of the rules.

For the parent Company and its Affiliated Banks, in the context of managing and supervising ICT and security risks, the Compliance Department:

- helps define the information security policy by assessing its compliance with the relevant regulations;
- is informed, to the extent of its competence, about any activity or event that could materially affect the Group's risk profile, significant operational or security incidents, or any substantial changes to the ICT systems and processes;
- is actively involved, to the extent of its competence, in projects creating substantial changes to the information system and, in particular, in the risk control processes related to such projects.

The Compliance Department of the Parent Company coordinates the maintenance and updating of the 231 Model of Cassa Centrale Banca and the performance of the activities dependent on it, including the submission of a periodic report with the Supervisory Board, and also provides technical/operational support to the Group Companies and their 231 Representatives as identified pursuant to the Guidelines on the Administrative Responsibility of Entities within the Group, without prejudice to the responsibility of each Company for the ongoing updating of their respective Models.

## 6.10 Anti-money laundering function

The Anti-Money Laundering Department adopts a risk-based approach in overseeing the management of the risks of money laundering and terrorist financing with regard to the company's activities by evaluating the adequacy of internal procedures intended to prevent the violation of applicable external standards (laws and regulations) and self-regulation (e.g. Articles of Association and Codes of Ethics).

The Anti-Money Laundering Department operates in accordance with the responsibilities assigned to it as a second-level corporate control Function of the Parent Company and fulfils the contractual obligations arising from its role as supplier to the Affiliated Banks and the user companies.

The Anti-Money Laundering Department operates, for the Affiliated Banks and the user companies, under an outsourcing regime in compliance with the service levels established and formalised in the agreement to outsource the Function, and avails itself of the collaboration and support of internal representatives, who, operating in close functional coordination with the Anti-Money Laundering Department, supervise the processes related to anti-money laundering legislation in the Affiliated Bank/User Company.

The Anti-Money Laundering Department of the Parent Company formulates and prepares specific directives and instructions to which the Anti-Money Laundering representatives must adapt their operations, in order to ensure the operational consistency of the Group in relation to the management and measurement of the risks of money laundering and terrorist financing.

In the event that a Group Company is the recipient of anti-money laundering obligations and has not outsourced the Function to the Parent Company, specific information flows are transmitted to the Anti-Money Laundering Department of the Parent Company by the same companies (the Annual Anti-Money Laundering Report, the annual planning of activities, any significant critical issues identified by the execution of anti-money laundering activities).

The Anti-Money Laundering Department has the objective of:

- contributing to the definition of strategic guidelines and policies for the overall governance of risks related to money laundering and terrorist financing, the preparation of communications and periodic reports to corporate bodies and the feeding of the Risk Appetite Framework, collaborating with other corporate control Functions in order to achieve an effective integration of the risk management process;
- developing a global approach to risk based on the strategic decisions taken by the Parent Company, defining the Group's methodology for assessing the risks of money laundering and terrorist financing, the procedures for coordinating and sharing information between Group Companies and general standards for the adequate verification of customers, the retention of documentation and information and the identification and reporting of suspicious transactions;
- ensuring adequate Group supervision, continuously verifying the suitability, functionality and reliability of the anti-money laundering arrangements, the procedures and processes adopted within the Group and their degree of adequacy and compliance with the law;
- playing a management and coordination role in relation to Group Companies, promoting and spreading the culture of prevention of the risk of money laundering and terrorist financing.

The Anti-Money Laundering Department oversees and coordinates the management of money laundering and terrorist financing risks, through the execution of a series of activities that may be related to the following types of processes:

- main processes, i.e. the set of activities aimed at the correct fulfilment of the obligations of proper customer due diligence, data and information retention and reporting of suspicious transactions;
- cross-cutting processes, i.e. the set of activities functional to mitigate and contrast the risk of money laundering.

In the performance of its duties, the Anti-Money Laundering Department has access, in the manner deemed most appropriate, to all activities and to all central and peripheral structures of the Group, as well as to any information that it deems relevant for the performance of its duties and is equipped with tools that are useful for carrying out the controls for which it is responsible.

As part of the integrated internal control system, the Anti-Money Laundering Department contributes in its areas of responsibility to:

- the definition of a common risk taxonomy for analysis and evaluation activities;
- the constant exchange of information;
- the establishment of uniform risk measurement and reporting methods;
- the management of any misalignments in the level of risk assessments that have emerged during the planning of activities;
- the examination of the findings that have emerged and the related corrective actions proposed, examining any conflicting assessments in order to reach a single and satisfactory solution for all the corporate control Functions that have highlighted the same significance.

# 7. Human Resources

The total workforce of the Cassa Centrale Group as at 30 June 2025 stood at 12,523 employees, compared to 12,284 as at 31 December 2024.

## 7.1.1 - Staff composition by category and gender

NUMBER OF EMPLOYEES BY CATEGORY AND GENDER	30/06/2025			31/12/2024	Change	% change
	Men	Women	Total	Total		
Executives	168	22	190	193	(3)	(1.6%)
Middle managers	2,671	1,027	3,698	3,578	120	3.4%
Office staff	4,147	4,488	8,635	8,513	122	1.4%
<b>TOTAL</b>	<b>6,986</b>	<b>5,537</b>	<b>12,523</b>	<b>12,284</b>	<b>239</b>	<b>1.9%</b>

## 7.1.2 - Staff composition by age group

NUMBER OF EMPLOYEES BY CATEGORY AND AGE GROUP	30/06/2025				31/12/2024	Change	% change
	<30	30-50	>50	Total	Total		
Executives		47	143	190	193	(3)	(1.6%)
Middle managers	4	1,742	1,952	3,698	3,578	120	3.4%
Office staff	1,333	5,086	2,216	8,635	8,513	122	1.4%
<b>TOTAL</b>	<b>1,337</b>	<b>6,875</b>	<b>4,311</b>	<b>12,523</b>	<b>12,284</b>	<b>239</b>	<b>1.9%</b>

The average age of the Group's personnel is in the 30-50 bracket with about 55% of employees in that bracket.

The long-term strategy of the Group is always oriented towards the value of its human resources, with a primary commitment in promoting the continuous development of individual and Group capabilities and skills.

In line with Group principles, the Human Resources Department undertakes to promote a fair working environment that encourages a proactive approach and adaptability to change. It strives to support company growth through a careful selection of candidates and professional growth through targeted training and development courses. Furthermore, it spreads a culture that incentivises active participation in projects, while providing instruments and methods for the emergence of innovative ideas, making a significant contribution to the success of the organisation.

## 7.2 - Corporate culture and brand identity

In 2025, committed efforts continued on promoting a corporate culture capable of enhancing the unique characteristics of the Cassa Centrale Group, paying constant attention to the people who live within our organisation. The added value of the integrated use of innovative technological systems to facilitate interaction between all professionals working within the organisational context is confirmed.



The online communities tool is increasingly being used by the various Services of the Parent Company to engage with those operating at the Banks who deal with certain issues. The communities are above all spaces for discussion and growth, but also represent smart and efficient tools for conveying practices and behaviours that support the sharing of Group-wide policies and regulations.

Today, the culture of well-being is a fundamental pillar to support all people in their personal and professional needs. To this end, the partnership was renewed with a network of sector professionals to provide psychological support on request and at the same time to activate targeted development pathways, using coaching activities.

Activities for the entire Group to raise awareness and improve understanding of ESG issues also continue. Workshops and seminars are opportunities to share knowledge and expertise on topics of Environmental, Social and Governance impact.

The Human Resources Department also continued the certification process for gender equality in the Parent Company and, at the same time, the consultancy activity to support and accompany the Affiliated Banks involved throughout the certification process.

With the aim of combating gender inequalities and unconscious bias and promoting an inclusive and sustainable organisational culture, several training courses were designed and implemented across the entire corporate population.

These initiatives contribute to the definition of a solid and sustainable corporate culture and brand identity, in line with the Cassa Centrale Group's founding principles as a cooperative.

## 7.3 - Selection and development

In an increasingly competitive labour market, the Cassa Centrale Group considers personnel search and recruitment a key factor in supporting continuous growth and fueling an organisation capable of responding promptly to new challenges. With this in mind, therefore, Employer Branding initiatives continue to be promoted, with a view to strengthening collaboration with universities and bringing the world of work closer to students.

With the aim of attracting the new generations and bringing them closer to the Group's unique characteristics and distinctive traits, relations with local universities have been ramped up.

This commitment included participation in the University of Trento's Career Fair in May 2025, and will continue throughout the rest of the year to foster the creation of a meaningful and innovative network.

At the same time, recruitment activities continue to be carried out according to well-structured processes, which not only ensure transparency, but also fairness and inclusiveness. Transparency in recruitment processes, adequately supported by training for employees working in the field, not only strengthens the company's reputation, but also contributes to a positive and motivating working environment.

All of these initiatives maintain a common focus on respect for diversity and the promotion of inclusivity, demonstrated, for example, by a commitment to hiring and supporting individuals from protected categories, and recognition and promotion of individual and collective diversity.

## 7.4 - Partnerships to innovate and compete

During 2025, the strategic partnership with the Politecnico di Milano POLIMI GSOM, already present in the Fit4Future pathway and HR Business Leader, was extended. During the first half of the year, numerous planning meetings took place for activities in the area of finance that would be delivered from the second half of the year onwards. This collaboration represents an oppor-

tunity for the Group, enabling access to observatories, research projects and high-level advisory services, essential sources of learning excellence that facilitate quality growth.

The collaboration with ABIFormazione continues, enhanced by important strategic ESG training projects for the Group and new professional courses on Anti-Money Laundering. The partnership with CeTif, the Università Cattolica del Sacro Cuore research centre on technology, innovation and financial services, was also renewed to strengthen expertise in the sector in cross-cutting areas.

In line with DEI topics, the collaboration with Valore D, a long-standing association of Italian companies promoting gender equality, also continues. Together with Valore D, several training schemes were launched for Top Management and all Group collaborators, also to support the commitments set out for UNI PdR 125:2022 Gender Equality Certification, achieved by the Parent Company in January 2024.

In addition, the training collaboration with SDA Bocconi continued, to support employees in targeted finance and business training initiatives.

## 7.5 - Developing human capital: training and skills development within the Group

The 2025 training offerings, shared at the beginning of the year with all CCBs and Group Company representatives, is currently active and delivered by the Banking Care Academy, which oversees the design, promotion and implementation of training courses for the Cassa Centrale Group, available via both in-person and e-learning modes.

The “HR Business Leader. Guiding organisational changes and entrenching them in business strategy” course, developed in partnership with POLIMI – Graduate School of Management, was completed in the first half of the year. The programme aims to integrate banking skills with human resources expertise, with a focus on HR topics.

May 2025 saw the conclusion of the third edition of the training course “MM – Cassa Centrale Group Middle Managers: Leadership and Team Management”, designed to strengthen the strategic and managerial skills required to face current and future challenges.

In the ESG area, the “ESG in Action Masterclass” was held in cooperation with ABI Formazione and the External Relations and Sustainability Department, to strengthen the skills required for managing ESG Factors and ECB relations. In addition, specific training initiatives started in cooperation with the Departments, such as the “Bank, Sustainability and ESG Factors” course with the Credit Department, and anti-money laundering activities with the AML Function, in line with the 2025-2026 training plan.

Bi-weekly seminars for corporate representatives were continued in 2025, with a view to continuous professional development. At the same time, training sessions for the Board of Cassa Centrale Banca continued.

Finally, the events of the “Fit4Future – Building the future of the Group” programme continued, in cooperation with the Politecnico di Milano University and dedicated to the development of the Group’s future managers.

The bancassurance segment also saw the implementation of targeted training initiatives, with sessions devoted to regulatory updates, operational tools and best practices for insurance operators.

## 7.6 - Certification of gender equality

In relation to Diversity, Equity and Inclusion topics, the commitment to the path of accompaniment and certification of gender equality by the CCBs and Group Companies continued, as did advisory support to maintain the certification.

The guided Certification process has three phases:

- planning, creation and implementation of a gender-equality management system in accordance with UNI/PdR 125:2022;
- preparatory activity for certification;
- assistance during auditing by the Certification Body.

Considering that the Reference Practices of UNI/PdR 125:2022 require precise measurement of key performance indicators for organisations and formalisation of gender-equality policies, planning, implementation, monitoring and management in line with a specific systematic methodology, the process is structured according to the methods indicated below.

- Development of the system: the process includes the identification and preparation of KPIs, definition and appointment of the Steering Committee, assignment of roles and responsibilities and drafting of the Management System Manual. This document provides the scope of application, internal and external communication methods, goals and review of Management, in addition to gender-equality policies. Activities include the implementation of the Strategic Plan, the creation of the necessary procedures, the definition of communication and awareness-raising documents, the preparation of a specific Training Plan for gender equality and the preparation and implementation of an internal survey, with questionnaires and detailed analysis.
- Preparatory activity for certification: performance of internal audits in compliance with PdR 125, analysis and resolution of any critical issues identified during audits, support for review and assistance in the management of relations with the Certification Body.
- Certification Assistance, Assistance during audits and Management of subsequent actions (surveys).
- Project planning, coordination and control.

The achievement of UNI PdR 125:2022 Gender Equality Certification with the Certifying Body, the establishment of the Steering Committee and the approval of specific policies on diversity, equity and inclusion topics, including the Policy in support of active parenthood and the Diversity and inclusion policy, demonstrate the high level of attention paid to gender equality (and beyond), with a meticulous focus on all aspects demanding ever greater awareness to guarantee that support for diversity and inclusion forms part of the fundamental values of the Group's culture.

In addition, the standard training offer aimed at Group Companies and Affiliated CCBs that are in the process of obtaining or maintaining gender equality certification continues.

In the first half of the year, the course "Women's Empowerment: promoting female leadership in the Cassa Centrale Group" took place in cooperation with Valore D, and the course "Anti-harassment training: recognising, preventing and combating harassment in the workplace", dedicated to members of the Steering Committees, was finalised.

In the first half of the year, a new development course "Female Identity: Cooperating for Growth" was created, which provides training, networking and individual coaching in cooperation with Mindwork, aimed at a specific target population at Cassa Centrale Banca and the Group Companies.

Among the various initiatives, the Parent Company and some CCBs launched the "Parental Empowerment Programme: support for active parenting", a series of events designed for parents and caregivers engaged in balancing life and work. Topics covered include time management, co-parenting, fatherhood and building a new role inside and outside the family, work-life surfing, and the different stages of children's lives. This programme promotes the experience of parenthood by offering moments of proximity, support and reflection.

Also in relation to protecting parenthood and the work-life balance, the "We are Back Programme" was launched, a course dedicated to all colleagues returning from parental leave at Cassa Centrale Banca and several Group Companies. The voluntary course alternates opportunities to share the parenting experience and return to work with individual coaching, promoting a gradual return to the company, welcoming and normalising any difficulties related to the new balances faced by new parents.

## 7.7 - Remuneration policies

On 5 June 2025, the Ordinary Shareholders' Meeting of the Parent Company - on the proposal of the Board of Directors - approved the Group's 2025 remuneration and incentive policies for all personnel, including the most important personnel, as well as for members of corporate bodies.

With regard to Group Companies within "scope", the Remuneration and Incentive Policies (hereinafter also referred to as the "Policies") approved by the respective Shareholders' Meetings were adopted by formal resolution of the respective Shareholders' Meetings for the Affiliated Banks and by competent bodies for the other Companies.

In particular, the Policies have been defined on the basis of the 37<sup>th</sup> update of 24 November 2021 of the Bank of Italy Regulatory Provisions on "Remuneration and Incentive Policies and Practices" and Commission Delegated Regulation (EU) no.923/2021 of 25 March 2021, with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out qualitative and quantitative criteria able to identify staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of the CRD. The Guidelines on Sound Remuneration Policies under Directive 2013/36/EU, issued by the EBA on 2 July 2021, were also considered.

The Policies also comply with the Provisions on "Transparency of banking and financial transactions and services"; appropriateness of relations between intermediaries and customers, updated by the Bank of Italy on 19 March 2019, align national provisions with the Guidelines on remuneration policies and practices relating to the sale and supply of retail banking products and services issued by EBA in December 2016.

Furthermore, the Policies include information on their consistency with the integration of sustainability risks, in compliance with the provisions of Article 5 - Transparency of remuneration policies in relation to the integration of sustainability risks of Regulation (EU) no. 2019/2088.

The Policies describe in an organic manner: the principles on which the Cassa Centrale Group's remuneration and incentive system is based; the roles, timing and activities that define the governance of the process of drafting, reviewing and adopting Group remuneration and incentive policies; the remuneration and incentive system to be adopted in 2025 by the Group for all employees, including the most important personnel, as well as for the members of corporate bodies.

The aim is to implement remuneration systems consistent with the Group's values and the shared aims of the Affiliated Banks to support the interest of all stakeholders. The remuneration policies support the Group's long-term strategy and the achievement of its corporate objectives, including sustainable finance, taking ESG factors into account. They are defined in accordance with the Group's prudent risk management policies, including strategies for monitoring and managing impaired loans, as defined under the current provisions on the prudential control process.

For further information and a detailed description of the policies in place, please refer to the document "Remuneration policies 2025" available on the Cassa Centrale Banca website at the address [www.cassacentrale.it](http://www.cassacentrale.it), in the Governance section.

## 7.8 - Welfare and Trade Union Relations

The first half of 2025 saw the Welfare, Trade Union Relations and Labour Regulations Service working to define smart working measures to foster parenthood. Flexible working methods have been introduced in the companies of the Industrial Group that are increasingly responsive to parents' needs to balance work and family responsibilities, taking advantage of the unique characteristics of working at the Parent Company to trial working methods. As of 1 June 2025, the following measures have been introduced to promote parenting: the possibility for parents with children up to 14 years of age to benefit from one half-day of remote working, the possibility for pregnant workers to work 100% remotely during the eighth and ninth months of pregnancy, and the possibility for all parents to benefit from one month of 100% remote working during the first year of the child's life.

At Group level, in the first half of 2025, agreements were signed with the Group Trade Union Delegation on Supplementary Health Benefits and Corporate Productivity Value (CPV), whereby the following were defined:

- the supplementary health benefits of the Cassa Mutua fund for 2025;
- the methods and rules for converting the 2025 CPV into welfare using the 2024 budgets;
- the regulations of the 2026 CPV over 2025;
- the quantification of the Corporate Productivity Value for the year 2025 and relative to the year 2024 (pursuant to Art. 13 of the agreement dated 1 June 2023) with definition of the measures of the portion of the CPV to be allocated to check-ups, prevention packages and healthcare expenses not covered by the Cassa Mutua Nazionale, as well as to increase the benefits from the Cassa Mutua Trentina.

With regard to Group trade union negotiations pursuant to Art. 22 of the National Collective Labour Agreement, in the first half of 2025, the activity focused on the negotiation of the aforementioned agreements on supplementary health benefits and CPV as well as discussions on the correct application of the CIG (Wage Guarantee Fund) pursuant to Art. 17 of the same agreement, which involved a number of Affiliated Banks, in addition to the Group Trade Union Delegation.

The Welfare, Trade Union Relations and Labour Regulations Service also worked to define the contractual “queues” resulting from the latest renewal of the CCNL. In particular, the national negotiations concerned the redefinition of the FOCC regulations and the Solidarity Fund regulations and bylaws, as well as the definition of the new rules for the distribution of trade union executive costs.

Discussions were also conducted with the trade union representatives of Cassa Centrale Banca, Allitude S.p.A., Assicura Agenzia S.r.l. and Assicura Broker S.r.l. on various issues, including the signing of agreements on flexibility of working hours and on-call operations.

Lastly, employment law support continued to be provided to the Banks, both with regard to specific activities and more generally to the drafting of opinions, preparation of contracts, out-of-court assistance, operational support, interpretative advice on labour law and assistance in relations with their company Trade Union Representatives.

# 8. Other information on operations

## 8.1 - Consolidation and development of Corporate Identity activities

The 2025 flight of the Cassa Centrale Group's multichannel communication campaign was launched on 6 April. The campaign took place along two complementary and synergistic lines: a national component via TV, social media and digital channels and articles in national press, and a local part focused on the most deeply rooted media in the region, with advertisements in regional press and strategic billposting in key areas. The national part saw us featured in the Group advertisement already seen in the previous flight and with the "School" advertisement. The social channel was thrust further into the limelight with an extended campaign (April-July 2025) to pursue the goal of intercepting and engaging with the younger target group even more. On the other hand, the local part, at regional level, used the institutional layout enriched with a series of key elements.

This project successfully contributed to the consolidation of brand awareness, underlining our unique way of doing banking. The slogan "Founded on common good" draws attention to our increasingly distinctive positioning, aligned with our distinctive cooperative nature.

In continuity with previous years, work continued on the MyCMS (Content Management System), the shared multi-site platform that allows individual banks to configure and customise their websites in just a few simple and efficient steps. In March, a dedicated face-to-face meeting was organised with the Group Banks, where the annual planning of scheduled developments was presented in two releases. The planning is the result of significant preparations that saw the dedicated team work during the first half of 2025 to carry out an analysis of the main digital trends and competitor websites, focus on the MyCMS websites, perform sample statistical analyses of websites connected to MyCMS, and send a customer satisfaction survey to MyCMS administrators. In addition to the main ongoing support activities, the proposal brings with it a number of benefits, in line with current market trends, summarised as follows:

- user experience improvements, thus offering an easier and simpler website;
- improvements in management by administrators, thus offering an increasingly more powerful and high-performance tool.

Last but not least, the activation of training initiatives to develop the skills of those in charge of MyCMS, through workshops on specific MyCMS functions and dedicated courses on inclusive web writing with an external instructor.

As at 30 June 2025, 63 Affiliated Banks were participating in the MyCMS platform.

Following the performance analysis of the corporate website [www.cassacentrale.it](http://www.cassacentrale.it) and the demographic and behavioural analysis of the public aimed at assessing its positioning and visibility, constant monitoring activities continued with a view to strengthening the positioning of the brand in the search engine results pages and sharing information aimed at raising awareness on specific corporate topics.

In relation to the accessibility of digital channels<sup>13</sup>, the Brand Marketing and Communication Service, with support from the dedicated working group, launched a collaboration with Fondazione ASPHI Onlus to carry out subjective accessibility checks

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<sup>13</sup> Accessibility is understood as the ability of information systems to deliver services and provide information that is usable and non-discriminatory, including for people who require assistive technologies or special configurations due to disabilities.

on both the Group's institutional website and the MyCMS platform. The subjective checks were coordinated by a human factors expert from the Fondazione ASPHI Onlus and carried out by a qualified group of 5 people with different disabilities, who were given 9 tasks to perform on the sites. The result of the evaluations expressed by the members of the working group indicated a third level of quality, in accordance with the scale of values defined by the AgID in the Manual for the Subjective Verification of Websites and Apps, due to which the test can be considered successful.

With the aim of increasing the visibility of the Banks on the corporate website [cassacentrale.it](https://www.cassacentrale.it), a digital version of the 2024 annual directory was developed in cooperation with the External Relations and Sustainability Service:

<https://www.cassacentrale.it/it/il-gruppo/chi-siamo#paragraph-107>.

To automate the updates to the Cassa Centrale Group's Annual Directory, a link has been established between the corporate website and the MyCMS platform, so that the Banks can independently enter the (qualitative and quantitative) data on the form on an annual basis, following the Shareholders' Meeting. After selecting the region of interest, it is possible to access the detailed section via the specific "bank tab" call-to-action for each Bank.

After a two-year period in which the financial statements described the Group's identity through the concepts of proximity to the territory and listening to needs, in 2025 a new narrative was inaugurated for the three-year period: how the Group contributes to the common good, while living in the present and sharing the future. The graphic translation of this concept is a journey of three elements that characterise the Group's actions and are represented through symbols:

- Budget 2024 – Identity: strong identity that expands;
- Budget 2025 – Relationships: convergence, solid relationships;
- Budget 2026 – Common Horizons: path and driving towards the future.

The same graphic element is reiterated in all materials related to the Shareholders' Meeting and made available to the Banks, thus ensuring continuity and consistency of communication.

In line with previous years, materials were created in relation to the Annual Financial Report 2024. With a view to greater Social Responsibility, the hard copies of the financial statements were replaced with complete digital reporting and a wealth of content, available on the corporate website (<https://report.cassacentrale.it>).

The information structure of the Group's digital financial statements represents an evolved and strategic communication tool, designed to ensure accessibility, transparency and clarity in consulting the most relevant results and information. Structured to meet the needs of different stakeholders – from shareholders to investors, from people working in the Group to the territories and communities served – it makes for fluid, thematic and multidimensional reading.

At the heart of this structure is the desire to enhance the financial statements not only as an accounting document, but as a narrative tool capable of describing in an immediate and accessible way the identity of the Group, its ability to generate value and the economic, social and environmental impacts it produces.

## 8.2 - Relations with related parties

Information on transactions with related parties can be found in Part H of the Explanatory Notes, to which reference should be made.

## 8.3 - Information on going concern, financial risks, impairment testing of assets and uncertainties in the use of estimates

With reference to the Bank of Italy, CONSOB and ISVAP documents no. 2 of 6 February 2009 and no. 4 of 3 March 2010, concerning the information to be provided in the financial reports on the business outlook, with particular reference to business continuity, financial risks, impairment testing and uncertainties in the use of estimates, the Board of Directors confirms that it has a reasonable expectation that the Group can continue to operate in the foreseeable future and therefore certifies that the consolidated financial statements as at 30 June 2025 have been prepared on a going concern basis.

There are no elements or warnings in the Group's equity and financial structure and operating performance that could lead to uncertainties as to its ability to continue as a going concern.

For information on financial risks, impairment testing of assets and uncertainties in the use of estimates, reference should be made to the information provided in this report, comments on operating performance, and/or in specific sections of the consolidated financial statements.

## 8.4 - Own shares

The share capital of the Parent Company Cassa Centrale Banca amounts to EUR 952,031,808, made up of 18,158,304 ordinary shares and 150,000 preference shares, both with a nominal value of EUR 52.

As at 30 June 2025, 15,874,453 ordinary and preference shares with a nominal value of EUR 825,471,556 (corresponding to 86.71% of the share capital) are held by the Affiliated Banks of the Cassa Centrale Group and therefore, in the consolidated financial statements, these are to be considered as own shares held in portfolio.

No shares of the Parent Company were sold during the year.

## 8.5 - Policies for business continuity management

The rapidly changing digital landscape and the evolving regulatory framework, with introduction of Regulation (EU) no. 2022/2554 (so-called DORA Regulation) concerning digital operational resilience for the financial sector, demanded a paradigm shift in order to better prevent business interruption events and to maintain the continuity of critical services over time.

During the first half of 2025, the implementation of the activities envisaged in the Operational Resilience Framework drawn up in 2024 continued. The Parent Company's Business Impact Analysis (BIA) activities began in the first half of 2025, to allow the in-scope Affiliated Banks and Group Companies to collect the relevant information by the end of the year. Compared to the previous year, new elements were introduced to be evaluated and brought to the attention of the Process Owners, in order to comply with the need to transform the assessment from qualitative to quantitative criteria, extending the analysis to all processes in the Group taxonomy.

As every year, specific training workshops were held for all internal Process Owners and Business Continuity Representatives, with the aim of making them aware of the new features introduced and how to conduct the Business Impact Analysis (BIA) and Risk Impact Assessment (RIA), as well as raising their awareness of the subject.

In addition, the Operational Resilience Test Plan was drafted, an evolution of the previous plan on Business Continuity and extending the types of tests subject to planning, in order to comply with the requirements of the DORA Regulation.

With regard to tests, as set out in the Operational Resilience Test Plan 2025, in the first half of the year the technological test of the Disaster Recovery solution provided by Allitude, which involved eight Group Banks, the tests on cash management and the end-to-end critical process for transmitting and receiving orders on the market were completed successfully. The tests checked



the availability and operational capacity of provider recovery sites, as well as the reachability of the services offered by the Parent Company. The remaining tests, foreseen in the Operational Resilience Test Plan 2025, will be carried out in the second half of 2025.

During the first half of the year, an updated training programme was also prepared, including the basic principles of Operational Resilience, which will be distributed to the entire Group by the end of the year.

## 8.6 – Organisation, management and control model for crime prevention pursuant to Italian Legislative Decree no. 231/2001

In implementation of the delegation pursuant to article 11 of Law no. 300 of 29 September 2000, Legislative Decree no. 231 of 8 June 2001 (hereinafter also “the Decree”) was issued, with which the legislator aligned domestic regulations to the international conventions, adopted also by Italy, on the liability of legal persons.

These in particular include the Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Communities, the Convention signed in Brussels on 26 May 1997 on the fight against corruption involving officials of the European Community or of the Member States and the Organisation for Economic Co-operation and Development (OECD) Convention of 17 December 1997 on the fight against corruption of foreign public officials in economic and international transactions.

The Decree, containing “Guidelines for the administrative liability of legal entities, companies and associations, including those without legal personality”, introduced into Italian law a system of administrative liability applicable to entities for offences that are exhaustively listed and committed in their interest or to their advantage: (i) by natural persons with representation, administration or management functions in the Entities or in one of their organisational units endowed with financial and functional autonomy, as well as by natural persons who exercise, including de facto, management and control of the Entities, or (ii) by natural persons under the direction or supervision of one of the above mentioned persons.

The entity is not liable, on the other hand, if the aforementioned parties have acted in the exclusive interest of themselves or of third parties (art. 5, paragraph 2 of the Decree) or when it voluntarily prevents the carrying out of the action or the occurrence of the event.

In any case, the administrative liability of entities is independent of the criminal liability of the natural person who committed the offence.

The offences for which the administrative liability of entities is configurable, with specific indication of the applicable sanctions, are listed in Section III of the Decree. The Decree provides for forms of exemption from the administrative liability of entities. In particular, it establishes that, in the event of a crime committed by a top management party, the entity is not liable if it proves that:

- the management body has adopted and effectively implemented, prior to the commission of the offence, organisational and management models suitable for preventing offences of the type that occurred;
- the task of supervising the functioning and observance of the models and their updating has been entrusted to a corporate body with autonomous powers of initiative and control;
- individuals have committed the offence by fraudulently circumventing organisational and management models;
- there has been no lack of or insufficient supervision by the body responsible.

Therefore, in the case of a crime committed by top management, there is a presumption of liability on the part of the entity due to the fact that such parties express and represent the policy and, therefore, the will of the entity itself: this presumption, however, can be overcome if the entity can demonstrate the existence of the four conditions indicated above in compliance with the provisions of art. 6, paragraph 1 of the Decree.

In this case, although there is personal responsibility on the part of the top management, the entity is not liable under the Decree.

In the same way, the administrative liability of the entity also exists for offences committed by subordinates, if their action was made possible by failure to comply with management or supervisory obligations. In any case, failure to comply with these management or supervisory obligations is excluded if the company demonstrates that it has adopted and effectively implemented, prior to the commission of the offence, an organisational and management model suitable for preventing offences of the type that has occurred.

The Model must meet the following requirements:

- identification of the activities within the scope of which there is the potential that offences provided for in the Decree may be committed;
- provision of specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the crimes to be prevented;
- identification of methods of managing financial resources suitable to prevent the commission of such offences;
- provision of information obligations towards the body responsible for supervising the functioning of and compliance with the Model;
- introduction or transposition of a disciplinary system suitable to sanction non-compliance with the measures indicated in the Model;
- provision, including through specific reference to internal whistleblowing regulations, of adequate reporting channels that use the methods set out by said internal regulations to: i) guarantee the confidentiality of the identity of the whistleblower, the reported party, any other individuals involved, as well as the content of the report and the related documentation; ii) allow the parties identified as possible whistleblowers by the internal whistleblowing regulations to file a report relating to conduct of any kind (including omissions) seriously suspected of breaching the internal regulations of reference;
- prohibit retaliatory or discriminatory acts against whistleblowers and all parties indicated by the internal whistleblowing regulations for reasons linked – directly or indirectly – to the reporting of potential violations set out by the internal whistleblowing regulations.

The Parent Company has long since adopted a Model aimed at preventing the risk of incurring administrative liability of entities for the offences provided for in the Decree. The Cassa Centrale Banca model consists of two parts.

The General Section provides a description of the reference regulatory framework, the Bank's governance model and organisational set-up, the tasks and responsibilities of the Supervisory Board, the disciplinary system and the training and communication plan relating to the Model. It also provides indications on the methodology used to define the Model. Lastly, it identifies the roles and responsibilities regarding the adoption and updating of the Model.

The Special Section, organised in specific protocols for each category of offence envisaged by the Decree, identifies the sensitive activities within which the commission of such offences is reasonably conceivable, as well as the control measures, the organisational measures and the behavioural principles to be adopted for the purpose preventing their commission.

In particular, through the adoption and constant updating of the Model, the Parent Company has proposed pursuing the following main objectives:

- contribution to the internal dissemination of knowledge of the offences provided for in the Decree and of the activities that may lead to their implementation;
- communication within the Bank of the knowledge of activities in the context of which there is a risk of offences being committed and the internal rules adopted by the Bank governing the same activities;

- communication of full awareness that conduct contrary to the law and internal provisions is condemned by the Bank, as, in carrying out its corporate mission, it intends to comply with the principles of legality, fairness, diligence and transparency;
- assurance of an organisation and system of controls appropriate to the activities carried out by the Parent Company and guarantees of the correctness of the behaviour of top management, employees and collaborators.

With the establishment of the Cooperative Banking Group, the Parent Company adjusted its Model overall to ensure alignment with the new governance structure and the changed operating environment.

At the same time, the Parent Company, in order to rationalise and standardise the management of the administrative liability of entities by the Group Companies, has prepared a document containing principles and guidelines with which they are required to comply. In particular, the document provides that the Companies subject to monitoring by at least one Supervisory Authority as well as Allitude S.p.A. are required to adopt, in line with the indications contained in the document, their own Organisational, Management and Control Model, to be shared with the Supervisory Board and subsequently submitted for approval to the Management Body.

Italian-registered subsidiaries, on the other hand, are required to periodically assess their exposure to the risk of the offences set out by Legislative Decree 231/2001. Once the risk assessment is complete, if a relevant risk emerges of any of such offences being committed, the Companies are required, according to the indications contained in the document, to: (i) adopt a Model; (ii) set up a Supervisory Board, and (iii) prepare specific information flows aimed at enabling the Parent Company to become aware of relevant facts concerning the companies themselves.

The Parent Company's Model is updated with the most recent regulatory changes concerning material additions and/or amendments to the predicate offences. The Parent Company promptly informs the Group Companies of regulatory changes relevant to the updating of their respective Models.

## 8.7 - Research and Development

The Cassa Centrale Group conducts research and development in line with its strategic objectives and the demands of the market. The Group's R&D is described, where relevant, in several paragraphs of this report as part of the activities managed by the Departments of the Parent Company and its Subsidiaries.

# 9. Significant events occurred after the first half of the year

After 30 June 2025 and until the approval by the Board of Directors of this consolidated half-yearly financial report on 18 September 2025, no events, facts or circumstances have occurred that led to a change in the data approved at that time, nor that they have had significant subsequent impacts on the Group's financial position and income statement.

The main events occurring after the end of the first half of the year are described below.

## 9.1 – Transfers of non-performing loans

During the second half of 2025, two separate multi-originator true sale transactions of non-performing loans will be finalised, for which the respective binding purchase offers have been received at the end of the relevant competitive process.

The first transaction, called MCC III, consists of a portfolio of UTP and non-performing loans with a total GBV (Gross Book Value) of EUR 16 million, mainly backed by MCC guarantees and originated by 6 Affiliated Banks. The portfolio was awarded at a final price of EUR 9.6 million euros, representing 60.2% of the GBV being sold. The transaction is expected to close by September 2025.

The second transaction, called NPLs IIIX, consists of a portfolio of loans classified as UTP and non-performing with a total GBV of EUR 79.4 million (of which approximately EUR 58 million non-performing and approximately EUR 21.4 million UTP) and originated by 26 Affiliated Banks. The portfolio was awarded at a final price of approximately EUR 18.8 million euros, representing 23.7% of the GBV being sold. The transaction is expected to close by late October 2025.

Both transactions are part of the NPE Strategy 2025-2027 approved by the Board of Directors on 13 March 2025.

## 9.2 – European Central Bank inspection of profitability and business model

On 5 June 2025, the Cassa Centrale Group was notified of the start of the on-site inspection (OSI) by the European Central Bank, relating to profitability and the business model, in order to assess the latter, as well as any complementary or related aspects.

The inspection, conducted from 22 September 2025, will last around 12 weeks.

## 9.3 – Changes to the Parent Company's organisational chart

Mr. Paolo Martignoni was appointed Chief Compliance Officer with effect from 1 September 2025.

# 10. Business outlook

The first half of 2025 confirmed moderate economic growth and slowing inflation. The policy adopted by the US administration of renegotiating import tariffs applied to trading partners generated volatility in the financial markets and triggered dynamics that may negatively impact some economic sectors during the second half of the year.

The geopolitical scenario remains heavily affected by the conflicts in Ukraine and the Middle East. The duration and developments of the conflicts currently remain unpredictable, with related implications for the global and national economy.

The world's major central banks, with the exception of the Federal Reserve, continued their cycle of lowering the interest rates.

In such an economic context, the Group continues to focus its attention on strongly supporting the economic fabric of the reference territories, which are facing a rapidly and constantly changing situation, and on overseeing the overall risk profile. At the same time, initiatives aimed at increasing the degree of revenue diversification continue, in a scenario that sees the contribution of net interest income to the profitability of Italian banks as progressively shrinking.

Lastly, investment continues in expertise and technology alongside initiatives to increase operational efficiency under the Strategic Plan.

# Independent Auditors' Report on the Condensed Consolidated Half- Yearly Financial Statements of the Cassa Centrale Group

## REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

**To the Board of Directors of  
Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A.**

### Introduction

We have reviewed the accompanying condensed consolidated half-yearly financial statements of Cassa Centrale Banca – Credito Cooperativo Italiano S.p.A. and subsidiaries (the “Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group”), which comprise the consolidated balance sheet as of June 30, 2025 and the consolidated income statement, statement of consolidated comprehensive income, statement of changes in consolidated equity and consolidated cash flow statement for the six-month period then ended, and the related explanatory notes.

The Directors are responsible for the preparation of the condensed consolidated half-yearly financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standard Board and adopted by the European Union. Our responsibility is to express a conclusion on the condensed consolidated half-yearly financial statements based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of condensed consolidated half-yearly financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated half-yearly financial statements of the Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group as at June 30, 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standard Board and adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Enrico Gazzaniga**  
Partner

Milan, Italy  
September 26, 2025

*This report has been translated into the English language solely for the convenience of international readers.  
Accordingly, only the original text in Italian language is authoritative.*



# Condensed Consolidated Half-Yearly Financial Statements of the Cassa Centrale Group

## Consolidated financial statements

# Consolidated balance sheet

ASSETS		30/06/2025	31/12/2024
10.	Cash and cash equivalents	661	711
20.	Financial assets measured at fair value through profit or loss	248	242
	a) financial assets held for trading	5	6
	b) financial assets designated at fair value	-	-
	c) other financial assets mandatorily measured at fair value	243	236
30.	Financial assets measured at fair value through other comprehensive income	11,170	9,899
40.	Financial assets measured at amortised cost	74,184	71,465
	a) loans to banks	1,162	1,097
	b) loans to customers	73,022	70,368
50.	Hedging derivatives	79	70
60.	Fair value change of financial assets in hedged portfolios (+/-)	(71)	(57)
70.	Equity investments	50	54
90.	Tangible assets	1,254	1,242
100.	Intangible assets	112	108
	of which:		
	- goodwill	27	27
110.	Tax assets	396	421
	a) current	101	114
	b) deferred	295	307
120.	Non-current assets and groups of assets held for disposal	-	1
130.	Other assets	2,628	2,881
<b>Total assets</b>		<b>90,711</b>	<b>87,037</b>

LIABILITIES AND EQUITY		30/06/2025	31/12/2024
10.	Financial liabilities measured at amortised cost	76,415	74,578
	a) due to banks	935	1,291
	b) due to customers	68,435	66,309
	c) debt securities in issue	7,045	6,978
20.	Financial liabilities held for trading	11	7
30.	Financial liabilities designated at fair value	-	1
40.	Hedging derivatives	11	15
60.	Tax liabilities	83	57
	a) current	23	17
	b) deferred	60	40
80.	Other liabilities	3,802	2,512
90.	Provision for severance indemnity	74	80
100.	Provisions for risks and charges	445	407
	a) commitments and guarantees given	117	119
	b) post-employment benefits	-	-
	c) other provisions for risks and charges	328	288
120.	Valuation reserves	116	66
140.	Equity instruments	1	1
150.	Reserves	8,672	7,663
160.	Share premium	79	78
170.	Share Capital	1,281	1,272
180.	Own shares (-)	(869)	(868)
200.	Profit (loss) for the year (+/-)	590	1,168
<b>Total liabilities and equity</b>		<b>90,711</b>	<b>87,037</b>

# Consolidated income statement

ITEMS	30/06/2025	30/06/2024
10. Interest income and similar revenues	1,557	1,732
of which: interest income calculated with the effective interest method	1,548	1,716
20. Interest expenses and similar charges	(398)	(497)
<b>30. Net interest income</b>	<b>1,159</b>	<b>1,235</b>
40. Fees and commissions income	502	478
50. Fees and commissions expenses	(79)	(81)
<b>60. Net fees and commissions</b>	<b>423</b>	<b>397</b>
70. Dividend and similar income	4	3
80. Net result from trading	3	9
90. Net result from hedging	(1)	-
100. Profit (loss) from disposal/repurchase of:	(9)	(129)
a) financial assets measured at amortised cost	(25)	(114)
b) financial assets measured at fair value through other comprehensive income	16	(15)
c) financial liabilities	-	-
110. Net result on other financial assets and liabilities measured at fair value through profit or loss	3	2
a) financial assets and liabilities designated at fair value	-	-
b) other financial assets mandatorily measured at fair value	3	2
<b>120. Net interest and other banking income</b>	<b>1,582</b>	<b>1,517</b>
130. Net value adjustments/write-backs due to credit risk relative to:	39	36
a) financial assets measured at amortised cost	39	36
b) financial assets measured at fair value through other comprehensive income	-	-
140. Profit/loss from contractual changes without derecognitions	-	(1)
<b>150. Net income from financial activities</b>	<b>1,621</b>	<b>1,552</b>
<b>180. Net income from financial and insurance activities</b>	<b>1,621</b>	<b>1,552</b>

ITEMS		30/06/2025	30/06/2024
190.	Administrative expenses:	(968)	(915)
	a) staff expenses	(573)	(526)
	b) other administrative expenses	(395)	(389)
200.	Net allocations to provisions for risks and expenses	9	14
	a) commitments and guarantees given	2	9
	b) other net allocations	7	5
210.	Net value adjustments/write-backs to tangible assets	(62)	(53)
220.	Net value adjustments/write-backs to intangible assets	(12)	(8)
230.	Other operating expenses/income	110	97
<b>240.</b>	<b>Operating costs</b>	<b>(923)</b>	<b>(865)</b>
250.	Profit (loss) on equity investments	-	(3)
280.	Profit (loss) from disposal of investments	-	1
<b>290.</b>	<b>Profit (loss) before tax from current operating activities</b>	<b>698</b>	<b>685</b>
300.	Income taxes for the year on current operating activities	(108)	(108)
<b>310.</b>	<b>Profit (loss) after tax from current operating activities</b>	<b>590</b>	<b>577</b>
<b>330.</b>	<b>Profit (loss) for the year</b>	<b>590</b>	<b>577</b>
<b>350.</b>	<b>Profit (loss) for the Parent Company</b>	<b>590</b>	<b>577</b>

# Statement of consolidated comprehensive income

ITEMS	30/06/2025	30/06/2024
<b>10. Profit (loss) for the year</b>	<b>590</b>	<b>577</b>
<b>Other post-tax components of income without reversal to the income statement</b>	<b>10</b>	<b>(1)</b>
20. Equities measured at fair value through other comprehensive income	8	(3)
30. Financial liabilities designated at fair value through profit or loss (changes in credit rating)	-	-
40. Hedging of equities measured at fair value through other comprehensive income	-	-
50. Tangible assets	-	-
60. Intangible assets	-	-
70. Defined benefit plans	2	2
80. Non-current assets and groups of assets held for disposal	-	-
90. Quota of reserves from the valuation of shareholdings measured with the equity method	-	-
100. Financial revenues or costs relating to insurance contracts issued	-	-
<b>Other post-tax components of income with reversal to the income statement</b>	<b>40</b>	<b>(19)</b>
110. Hedging of foreign investments	-	-
120. Exchange rate differences	-	-
130. Cash flow hedging	-	-
140. Hedging instruments (undesignated elements)	-	-
150. Financial assets (other than equities) measured at fair value through other comprehensive income	40	(19)
160. Non-current assets and groups of assets held for disposal	-	-
170. Quota of reserves from the valuation of shareholdings measured with the equity method	-	-
180. Financial revenues or costs from insurance contracts issued	-	-
190. Financial revenues or costs relating to reinsurance transfers	-	-
<b>200. Total other post-tax components of income</b>	<b>50</b>	<b>(20)</b>
<b>210. Comprehensive income (Item 10+200)</b>	<b>640</b>	<b>557</b>
<b>220. Consolidated comprehensive income pertaining to minority interests</b>	<b>-</b>	<b>-</b>
<b>230. Consolidated comprehensive income pertaining to the Parent Company</b>	<b>640</b>	<b>557</b>

# Statement of changes in consolidated equity as at 30/06/2025

	Balance as at 31/12/24	Adjustment to opening balances	Balance as at 01/01/25	Allocation of result from previous year		Changes to reserves	Changes during the year									Comprehensive income for 2025	Group equity as at 30/06/25	Equity pertaining to minority interests as at 30/06/25
				Reserves	Dividends and other allocations		Issue of new shares	Equity transactions						Changes in equity investments				
								Purchase of own shares	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock Options						
Share capital:																		
a) ordinary shares	1,264	X	1,264	-	X	X	12	(3)	X	X	X	X	-	X	1,273			
b) other shares	8	X	8	-	X	X	-	-	X	X	X	X	-	X	8			
Share premium	78	X	78	-	X	-	1	X	X	X	X	X	-	X	79			
Reserves:	-																	
a) profit	7,653	-	7,653	1,022	X	(13)	-	-	-	X	X	X	-	X	8,662			
b) other	10	-	10	-	X	-	-	X	-	X	-	-	-	X	10			
Valuation reserves	66	-	66	X	X	-	X	X	X	X	X	X	-	50	116			
Equity instruments	1	X	1	X	X	X	X	X	X	-	X	X	-	X	1			
Own shares	(868)	X	(868)	X	X	X	-	(1)	X	X	X	X	X	X	(869)			
Profit (loss) for the year	1,168	-	1,168	(1,022)	(146)	X	X	X	X	X	X	X	X	590	590			
Group's equity	9,380	-	9,380	-	(146)	(13)	13	(4)	-	-	-	-	-	640	9,870			
Equity pertaining to minority interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			

# Statement of changes in consolidated equity as at 30/06/2024

	Balance as at 31/12/23	Adjustment to opening balances	Balance as at 01/01/24	Allocation of result from previous year		Changes during the year									Group equity as at 30/06/24	Equity pertaining to minority interests as at 30/06/24
				Reserves	Dividends and other allocations	Changes to reserves	Equity transactions							Comprehensive income for 2024		
							Issue of new shares	Purchase of own shares	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on own shares	Stock Options	Changes in equity investments			
Share capital:																
a) ordinary shares	1,263	X	1,263	-	X	X	7	(1)	X	X	X	X	-	X	1,269	
b) other shares	8	X	8	-	X	X	-	-	X	X	X	X	-	X	8	
Share premium	76	X	76	-	X	-	1	X	X	X	X	X	-	X	77	
Reserves:	-															
a) profit	6,879	-	6,879	777	X	(4)	-	-	-	X	X	X	-	X	7,652	
b) other	10	-	10	-	X	-	-	X	-	X	-	-	-	X	10	
Valuation reserves	(20)	-	(20)	X	X	-	X	X	X	X	X	X	-	(20)	(40)	
Equity instruments	1	X	1	X	X	X	X	X	X	-	X	X	-	X	1	
Own shares	(868)	X	(868)	X	X	X	-	-	X	X	X	X	X	X	(868)	
Profit (loss) for the year	871	-	871	(777)	(94)	X	X	X	X	X	X	X	X	577	577	
Group's equity	8,220	-	8,220	-	(94)	(4)	8	(1)	-	-	-	-	-	557	8,686	
Equity pertaining to minority interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



# Consolidated cash flow statement

## Indirect method

	Amount	
	30/06/2025	30/06/2024
<b>A. OPERATING ACTIVITIES</b>		
<b>1. Operations</b>	<b>634</b>	<b>658</b>
- income for the year (+/-)	590	577
- gains/losses on financial assets held for trading and other assets/liabilities measured at fair value through profit or loss (-/+)	(2)	-
- gains/losses on hedging activities (-/+)	1	-
- net value adjustments/write-backs due to credit risk (+/-)	(39)	(36)
- net value adjustments/write-backs to tangible and intangible assets (+/-)	74	61
- net allocations to provisions for risks and expenses and other costs/revenues (+/-)	(9)	(14)
- revenues and net costs of insurance contracts issued and reinsurance contracts held (-/+)	-	-
- taxes, duties and tax credits not settled (+/-)	10	60
- net value adjustments/write-backs from discontinued operations net of tax (-/+)	-	-
- other adjustments (+/-)	9	10
<b>2. Cash flows generated/used by the financial assets</b>	<b>(3,646)</b>	<b>1,518</b>
- financial assets held for trading	1	(4)
- financial assets designated at fair value	-	-
- other assets obligatorily measured at fair value	(5)	51
- financial assets measured at fair value through other comprehensive income	(1,222)	13
- financial assets measured at amortised cost	(2,691)	1,433
- other assets	271	25
<b>3. Cash flows generated/used by the financial liabilities</b>	<b>3,175</b>	<b>(1,980)</b>
- financial liabilities measured at amortised cost	1,815	(1,936)
- financial liabilities held for trading	4	(1)
- financial liabilities designated at fair value	(1)	-
- other liabilities	1,357	(43)
<b>4. Cash flows generated/used by insurance contracts issued and by reinsurance transfers</b>	<b>-</b>	<b>-</b>
- insurance contracts issued that are liabilities/assets (+/-)	-	-
- reinsurance transfers that are assets/liabilities (+/-)	-	-
<b>Net cash flow generated/used by operating activities</b>	<b>163</b>	<b>196</b>

	Amount	
	30/06/2025	30/06/2024
<b>B. INVESTMENT ACTIVITIES</b>		
<b>1. Cash flows generated by</b>	<b>11</b>	<b>31</b>
- sales of equity investments	-	-
- dividends collected on equity investments	4	3
- sales of tangible assets	7	28
- sales of intangible assets	-	-
- sales of subsidiaries and business units	-	-
<b>2. Cash flows used by</b>	<b>(74)</b>	<b>(105)</b>
- equity investment acquisitions	-	-
- tangible asset acquisitions	(58)	(84)
- intangible asset acquisitions	(16)	(21)
- purchases of subsidiaries and business units	-	-
<b>Net cash flow generated/used by investment activities</b>	<b>(63)</b>	<b>(74)</b>
<b>C. FUNDING ACTIVITIES</b>		
- issues/purchases of own shares	(4)	-
- issues/purchases of equity instruments	-	-
- dividend distribution and other	(146)	(94)
- sale/purchase of third parties' controlling interests	-	-
<b>Net cash flow generated/used by funding activities</b>	<b>(150)</b>	<b>(94)</b>
<b>NET CASH FLOWS GENERATED/USED DURING THE YEAR</b>	<b>(50)</b>	<b>28</b>

KEY:

(+) generated

(-) absorbed

## Reconciliation

ITEMS	Amount	
	30/06/2025	30/06/2024
Cash and cash equivalents at the beginning of the year	711	734
Total net cash flows generated/used during the year	(50)	28
Cash and cash equivalents: impact of exchange differences	-	-
Cash and cash equivalents at year-end	661	762

# Condensed Consolidated Half- Yearly Financial Statements of the Cassa Centrale Group

## Explanatory Notes

# PART A - Accounting policies

## A.1 – General Section

### Section 1 – Statement of compliance with international accounting standards

Cassa Centrale Banca Credito Cooperativo Italiano Cooperative Banking Group (hereinafter also referred to as the “Cassa Centrale Group” or the “Group”) is required to prepare its condensed consolidated half-yearly financial statements in accordance with the IAS/IFRS issued by the International Accounting Standards Board (IASB) and endorsed by the European Commission under the procedure set out in art. 6 of Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, in force at the reference date of this document, including the interpretative documents of the International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC), limited to those applied for the preparation of the condensed consolidated half-yearly financial statements as at 30 June 2025.

The condensed consolidated half-yearly financial statements and the interim report on consolidated operations constitute the Consolidated Half-Yearly Financial Report.

The Bank of Italy defines the formats and rules for the preparation of financial statements in Circular no. 262 of 22 December 2005, including subsequent updates. The eighth update, published on 17 November 2022, is in force.

In interpreting and applying the new international accounting standards, reference was also made to the “Framework for the Preparation and Presentation of Financial Statements” (known as “Conceptual Framework” or the “Framework”), issued by the IASB. In terms of interpretation, also considered were the documents on the application of IAS/IFRS in Italy, prepared by the Italian Accounting Body (OIC) and the Italian Banking Association (ABI).

In the absence of a standard or an interpretation specifically applicable to a particular transaction, the Group uses the professional judgement of its departments in developing accounting recognition rules which make it possible to provide a reliable financial disclosure, necessary for guaranteeing that the financial statements give a true and fair view of the Group’s equity and financial position, reflecting the economic substance of the transaction as well as the relevant related aspects.

In formulating these accounting recognition rules, reference was made, as much as possible, to the provisions contained in the international accounting standards and the associated interpretations that address similar cases.

### Section 2 – General preparation criteria

The condensed consolidated half-yearly financial statements as at 30 June 2025 of the Cassa Centrale Group include the Parent Company Cassa Centrale Banca and the direct and indirect subsidiaries: for further details on the scope of consolidation, please refer to “Section 3 – Scope and methods of consolidation” of this Part A.

The aforesaid condensed consolidated half-yearly financial statements consist of i) the consolidated balance sheet, ii) the consolidated income statement, iii) the statement of consolidated comprehensive income, iv) the statement of changes in consolidated equity, v) the consolidated cash flow statement, vi) the consolidated explanatory notes, and are accompanied by the Directors’ interim report on operations and the situation of the Group.

These financial statements are prepared in compliance with the provisions of IAS 34 "Interim Financial Statements" and, by virtue of the possibility granted by paragraph 10 of the aforementioned accounting standard, they are presented in condensed form without including the full disclosures required for the annual financial statements and must be read together with the consolidated financial statements of the Cassa Centrale Group prepared for the year ended 31 December 2024.

The explanatory notes to the condensed consolidated half-yearly financial statements have been prepared with reference to the explanatory notes structure envisaged for consolidated financial statements by Bank of Italy Circular no. 262 of 22 December 2005, and subsequent amendments (hereinafter also "Circular no. 262/2005"), albeit with limited information, as they are half-yearly financial statements drafted in a summarised format. In addition, in order to facilitate reading, the numbering provided for by the aforementioned Circular no. 262/2005 has been maintained, although some parts, sections or tables may be omitted since, as mentioned above, this is a summarised document.

The half-yearly financial statements provide, in addition to the accounting data at 30 June 2025, comparative information relating to the corresponding period of the previous year, with the exception of the balance sheet, which is compared with the latest consolidated financial statements approved at 31 December 2024.

In accordance with the provisions of Article 5 of Italian Legislative Decree no. 38/2005, the condensed consolidated half-yearly financial statements are prepared using the euro as the accounting currency. The consolidated balance sheet and the consolidated income statement, as well as the statement of consolidated comprehensive income, the statement of changes in consolidated equity, the consolidated cash flow statement and the consolidated explanatory notes have been prepared in millions of euros. Any differences found between the amounts in the explanatory notes and the condensed consolidated half-yearly financial statements are attributable to rounding up.

The consolidated balance sheet and the consolidated income statement comprise items, sub-items and additional detailed information. Items not valued either in the current or the previous year are not reported.

In the consolidated income statement and the related section of the explanatory notes, revenues are recorded without sign, while the costs are indicated in brackets. In the statement of consolidated comprehensive income, the negative amounts are stated in brackets.

These condensed consolidated half-yearly financial statements are subject to a limited audit by Deloitte & Touche S.p.A.

The condensed consolidated half-yearly financial statements have been prepared with clarity and give a true and fair view of the financial position, economic result for the reporting period, changes in Group's equity and generated cash flows.

The condensed consolidated half-yearly financial statements are prepared on the basis of the going concern assumption of the Cassa Centrale Group, as the directors reasonably expect that the Group will continue operating in the foreseeable future. The situation of the financial markets and the real economy and the still uncertain forecasts made with reference to the short/medium-term require particularly precise valuations to be performed as regards the going concern assumption, since the results history of the Group and its easy access to financial resources may not be sufficient in the current context. The directors believe that the risks and uncertainties to which the Group may be subject in the flow of its operations are not significant and therefore do not cast doubt on the company's ability to continue as a growing concern, despite considering the current macroeconomic environment characterised by various uncertainties such as trade policies associated with tariffs, the trend in inflation and high interest rates, as well as geopolitical risks and related uncertainties affecting future developments.

Estimation processes are based on past experience as well as other factors considered reasonable in the circumstances, and aim to estimate the book value of assets and liabilities that are not readily apparent from other sources. In particular, estimation processes were adopted that support the book value of some of the most important valuation items posted in the accounts, according to reference regulations. These processes are mainly based on estimates of future recoverability of the values in the accounts and were carried out on a going concern basis.

The main cases for which subjective evaluations are required to be made by the Board of Directors include:

- the quantification of expected losses due to the reduction of loan values and, in general, of other financial assets;

- the determination of the fair value of financial instruments, with particular reference to financial assets not listed on active markets;
- the assessment of congruity in the value of goodwill, other intangible assets and equity investments;
- the measurement of personnel funds and provisions for risks and charges;
- the estimates and assumptions regarding recoverability of deferred tax assets.

The information provided on the accounting policies applied for the main aggregate values of the condensed consolidated half-yearly financial statements includes the necessary details for identifying the main assumptions and subjective evaluations made in preparing these financial statements. The processes adopted support the carrying amounts on the date of preparing these financial statements. The measurement process, as in the previous year, continues to be complex in consideration of the persisting uncertainty of the macroeconomic and market environment, characterised both by the considerable volatility of the financial parameters that are decisive in the measurement and by a progressive stabilisation in interest rates and inflation. At present, no significant indicators of impairment in credit quality have yet been found. These parameters and the information used to check the mentioned values are significantly affected by these factors which are out of the Group's control and may undergo rapid and unforeseeable changes.

For further details, see paragraph d) of the Section Other aspects.

The condensed consolidated half-yearly financial statements also make reference to the general preparation criteria listed below, where applicable:

- principle of clarity, truth, fairness and completeness in the presentation of the balance sheet, income statement and cash flows (true and fair view);
- accrual principle;
- principle of consistent presentation and classification from one year to another (comparability);
- principle of prohibited offsetting of entries, except where expressly permitted;
- principle of prevalence of economic substance over legal form;
- principle of prudence in exercising the necessary judgement to make the estimates required in conditions of uncertainty so that the assets or revenues are not overestimated and the liabilities or costs are not underestimated, without this implying the creation of hidden reserves or excessive allocations;
- principle of neutral nature of information;
- principle of relevance/significance of the information.

Ultimately, with reference to the main implications related to the method of application of the international accounting standards (in particular IFRS 9) in the current macroeconomic environment characterised by geopolitical tensions, please refer to the specific paragraph "d) Risks, uncertainties, impacts and methods of application of the international accounting standards in the current environment" included in "Other aspects" of this Part A.

The first half of 2025 financial year was not characterised by any changes in the estimation criteria already applied for the preparation of the consolidated financial statements as at 31 December 2024 except for what is shown in "Other aspects" in paragraph d) in relation to the measurement of loans to customers in the current macroeconomic environment.

## Section 3 - Scope and methods of consolidation

The condensed consolidated half-yearly financial statements as at 30 June 2025 refer to a scope of consolidation better defined below. In this regard, the provisions of IFRS 10, 11, 12 and IFRS 3 have been taken into account, including in the scope of consolidation - as specifically provided for by IAS/IFRS – including companies operating in sectors of activity different from

that of the Parent Company. Similarly, structured companies are also included if their control requirements are met, regardless of their mere shareholding.

Moreover, with regard to the consolidation of Cooperative Banking Groups, it should be pointed out that Law no. 145 of 30 December 2018 "State Budget for the 2019 financial year and multi-annual budget for the three-year period 2019-2021" (2019 Budget Law), in transposing into Italian law, Article 2, paragraph 2, letter b) of Directive no. 86/635/EEC on the treatment of central bodies for the purposes of consolidated accounts, introduced the obligation to prepare consolidated financial statements for the whole of the central body and its affiliates (known as "single consolidating entity"). The adoption of this EU provision introduced, *inter alia*, the following two regulatory changes:

- a. "for the purposes of preparing the consolidated financial statements, the Parent Company and the banks belonging to the cooperative banking group constitute a single consolidating entity";
- b. "in preparing the consolidated financial statements, the accounting items relating to the Parent Company and the Affiliated Banks are recorded on a consistent basis".

In this regard, it seems reasonable to believe that the Italian legislator, as part of the amendments introduced by the 2019 Budget Law, has taken into account the interpretation provided by the European Commission in 2006 according to which, even in the case of IAS adopters, the obligation to prepare consolidated financial statements must be assessed in accordance with the provisions of the national transposition of European directives.

In light of the interpretation of the European Commission and considering that, as a result of the transposition into Italian law of Article 2, paragraph 2, letter b) of Directive no. 86/635/EEC, in the case of Cooperative Banking Groups, the entity required to prepare consolidated financial statements (reporting entity) is represented by the aggregation of the central body and the Affiliated Banks (known as "single consolidating entity"), it is considered that the rules of IFRS 10 - Consolidated financial statements apply only for the purposes of identifying the scope of consolidation of the reporting entity; i.e. only for the purposes of assessing the existence of situations of control between the entities forming the reporting entity and third parties (e.g. subsidiaries of the Parent Company or individual Affiliated Banks).

Recognition of the reporting entity nature within the sole consolidating entity also implies that IFRS 3 would apply only to the accounting of business combinations involving the latter and third parties (e.g. in the case of acquisition of new subsidiaries).

The provision of the Testo Unico Bancario (Consolidated Banking Act - TUB), according to which the Cohesion Contract ensures the existence of a situation of control as defined by international accounting standards, must also be interpreted in light of the subsequent amendments made to national accounting regulations by the 2019 Budget Law.

In this context, on the one hand, the 2019 Budget Law defines the procedures with which to comply with the consolidation obligations in the case of central bodies, on the other hand, the TUB's provisions are important in order to circumscribe the Central Body's governance powers over its affiliates.

The aforementioned approach is consistent, among other things, with the approach already adopted in other European jurisdictions with regard to the manner in which central bodies and their affiliated entities are consolidated, as for example in France.

That being said, in line with the above, the preparation of the condensed consolidated half-yearly financial statements was carried out through a process of aggregation of:

- financial statements of the Parent Company Cassa Centrale Banca and its subsidiaries/associates over which it exercises control on the basis of the majority of voting rights and/or the connection on the basis of significant influence;
- financial statements of the Affiliated Banks and their subsidiaries/associates over which the Parent Company exercises direction and coordination on the basis of the Cohesion Contract.

This process was followed by a subsequent phase of reclassification to own shares of the same shares of Cassa Centrale Banca held by the Affiliated Banks and the elimination of the asset and economic balances attributable to intra-group transactions.

## Subsidiaries

Without prejudice to that stated in the previous paragraph regarding the peculiarities of the consolidation method of the Cooperative Banking Group, the scope of consolidation is determined in compliance with the provisions contained in international accounting standard IFRS 10 - Consolidated financial statements. Based on this principle, the control requirement forms the basis of the consolidation of all types of entities, and is realised when an investor simultaneously:

- has the power to determine the relevant activities of the entity;
- is exposed to or benefits from the variable returns deriving from its involvement with the entity;
- has the ability to exercise its power to influence the amount of its returns (link between power and returns).

IFRS 10 establishes that, to have control, the investor must have the ability to direct the relevant activities of the entity, based on a legal right or mere de facto situation, and also be exposed to the variability of the results stemming from this power.

The subsidiaries are consolidated from the date on which the Group acquires control, according to the "acquisition method" - IFRS 3, and cease to be consolidated when control is no longer held.

The existence of control is subject to a continuous valuation process if there are events and circumstances that indicate the presence of a change in one or more of the three elements forming the control requirement, presented in the following paragraph "Significant valuations and assumptions for determining the scope of consolidation".

The full consolidation consists of the "line-by-line" acquisition of the aggregates of the balance sheet and the income statement of the entities controlled, as contra-entry to the cancellation of the investment held by the Group in the entity and the recognition, in the appropriate items, of the shares held by minority interests.

The differences emerging from this offsetting were subject to the provisions of IFRS 3; if they were allocated to the appropriate items, they are subject to the accounting treatment of the reference standard; if they were not specifically allocated, they are booked to goodwill under intangible assets and subject to impairment testing. Negative differences (so-called bargain purchase or badwill) are recognised in the consolidated income statement.

In addition, for entities controlled through an investment relationship, the share of equity pertaining to minority interests, the result for the year and comprehensive income is represented separately in the respective consolidated financial statements (under consolidated balance sheet liability item 190. Minority interests, 340. Profit (loss) for the year for minority interests in the consolidated income statement and 190. Consolidated comprehensive income pertaining to minority interests in the statement of consolidated comprehensive income).

Costs and revenues relating to the controlled entity are included in the Consolidated Financial Statements from the date of acquisition of control. The costs and revenues of the subsidiary transferred are included in the consolidated income statement until the transfer date; the difference between the consideration of the transfer and the book value of the net assets of the same is recognised in the consolidated income statement item 280. Profit (loss) from disposal of investments. In the presence of a partial disposal of the controlled entity which does not determine the loss of control, the difference between the consideration of the transfer and the associated book value is booked as a contra-entry to equity.

Controlling interests held for sale are consolidated on a line-by-line basis and stated separately in the Financial Statements as a group held for disposal valued as at the reporting date at the lower of the book value and the fair value less disposal costs, based on the treatment provided for in IFRS 5.

Controlling shareholdings with total assets of less than EUR 10 million are accounted for using the equity method, as line-by-line consolidation would require a considerable effort in terms of production, collection and consolidation of data, against negligible benefits in relation to financial reporting. This option, however, is expressly provided for in Article 19 of Regulation (EU) no. 575/2013 (CRR) on consolidation methods for the purposes of prudential supervision.



In special purpose vehicles, the circumstances that need to be examined for the purposes of any existence of a situation of control pursuant to IFRS 10 are:

- the involvement/role of Group companies in the structuring of the transaction (originator/investor/servicer/facility provider);
- the subscription of a large portion of Asset Backed Securities (ABS) issued by the special purpose vehicle on the part of Group companies;
- the scope/objective of the transaction.

In the first half of 2025, the following transactions took place involving the following subsidiaries, which were previously consolidated using the equity method due to immateriality limits:

- from and effective from 1 January 2025, the merger by incorporation of Immobiliare BCC di Brescia S.r.l. into Banca di Credito Cooperativo di Brescia – Società Cooperativa took place;
- liquidation of the companies Benaco Operations Immobiliari S.r.l. in liquidazione and Cà Del Lupo S.r.l. in liquidazione.

The full scope of the subsidiaries that are part of the Cassa Centrale Group as at 30 June 2025 is shown below:

COMPANY NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
A. ENTITIES CONSOLIDATED ON A LINE-BY-LINE BASIS						
A.1 ENTITIES CONSOLIDATED ON A LINE-BY-LINE BASIS - COHESION CONTRACT						
CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	Trento	Trento	4			
BANCA DI CREDITO COOPERATIVO DEL CIRCEO E PRIVERNATE - SOCIETÀ COOPERATIVA	Sabaudia (LT)	Sabaudia (LT)	4			
BANCA DELL'ALTA MURGIA CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Altamura (BA)	Altamura (BA)	4			
BANCA DI CREDITO COOPERATIVO DEI CASTELLI E DEGLI IBLEI SOCIETÀ COOPERATIVA	Mazzarino (CL)	Mazzarino (CL)	4			
BANCA MALATESTIANA - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Rimini	Rimini	4			
BANCA DI CREDITO COOPERATIVO DEI CASTELLI ROMANI E DEL TUSCOLO - SOCIETÀ COOPERATIVA	Castel Gandolfo (Rome)	Rocca Priora (Rome)	4			
CASSA RURALE VALLAGARINA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Ala (TN)	Ala (TN)	4			
CASSA RURALE ALTOGARDA – ROVERETO BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Arco (TN)	Arco (TN)	4			
CASSA RURALE DI LEDRO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Ledro (TN)	Ledro (TN)	4			
LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - SOCIETÀ COOPERATIVA	Tione di Trento (TN)	Tione di Trento (TN)	4			
CASSA RURALE VALSUGANA E TESINO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Borgo Valsugana (TN)	Borgo Valsugana (TN)	4			
FPB CASSA DI FASSA PRIMIERO BELLUNO BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Moena (TN)	Moena (TN)	4			
CASSA RURALE VAL DI SOLE - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Malè (TN)	Malè (TN)	4			
CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Pergine Valsugana (TN)	Pergine Valsugana (TN)	4			
CASSA RURALE VAL DI FIEMME - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Cavalese (TN)	Cavalese (TN)	4			
CASSA RURALE RENON SOCIETÀ COOPERATIVA	Collalbo Renon (BZ)	Collalbo Renon (BZ)	4			

COMPANY NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
CASSA RAIFFEISEN DI SAN MARTINO IN PASSIRIA SOCIETÀ COOPERATIVA	S. Martino in Passiria (BZ)	S. Martino in Passiria (BZ)	4			
BANCA CENTRO CALABRIA - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Cropani Marina (CZ)	Cropani Marina (CZ)	4			
CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Cles (TN)	Cles (TN)	4			
BANCA PER IL TRENTINO ALTO ADIGE – BANK FÜR TRENTINO-SÜDTIROL – CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	Trento	Trento	4			
BANCA DI CREDITO COOPERATIVO DI ALBEROBELLO, SAMMICHELE E MONOPOLI - SOCIETÀ COOPERATIVA	Alberobello (BA)	Alberobello (BA)	4			
CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Leno (BS)	Leno (BS)	4			
BANCA DI CREDITO COOPERATIVO DI AQUARA SOCIETÀ COOPERATIVA	Aquara (SA)	Aquara (SA)	4			
BANCANAGNI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Anagni (FR)	Anagni (FR)	4			
BANCA DI CREDITO COOPERATIVO CALABRIA NORD - SOCIETÀ COOPERATIVA	Verbicaro (CS)	Verbicaro (CS)	4			
BANCA DI CREDITO COOPERATIVO DI BARLASSINA - SOCIETÀ COOPERATIVA	Barlassina (MB)	Barlassina (MB)	4			
BENE BANCA CREDITO COOPERATIVO DI BENE VAGIENNA (CUNEO) - SOCIETÀ COOPERATIVA	Bene Vagienna (CN)	Bene Vagienna (CN)	4			
CASSA RURALE ED ARTIGIANA DI BORGO SAN GIACOMO (BRESCIA) - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Borgo San Giacomo (BS)	Borgo San Giacomo (BS)	4			
CASSA RURALE ED ARTIGIANA DI BOVES - BANCA DI CREDITO COOPERATIVO (BOVES-CUNEO) - SOCIETÀ COOPERATIVA	Boves (CN)	Boves (CN)	4			
BANCA DI CARAGLIO, DEL CUNEESE E DELLA RIVIERA DEI FIORI - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Caraglio (CN)	Caraglio (CN)	4			
BANCA DI CREDITO COOPERATIVO DI CASSANO DELLE MURGE E TOLVE - SOCIETÀ COOPERATIVA	Cassano delle Murge (BA)	Cassano delle Murge (BA)	4			
CASTAGNETO BANCA 1910 - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Donoratico (LI)	Castagneto Carducci (LI)	4			
BANCA DI CREDITO COOPERATIVO DELLA ROMAGNA OCCIDENTALE - SOCIETÀ COOPERATIVA	Castel Bolognese (RA)	Castel Bolognese (RA)	4			
BCC FELSINEA - BANCA DI CREDITO COOPERATIVO DAL 1902 - SOCIETÀ COOPERATIVA	San Lazzaro di Savena (BO)	San Lazzaro di Savena (BO)	4			
BANCA DI CREDITO COOPERATIVO DI CHERASCO - SOCIETÀ COOPERATIVA	Rovereto di Cherasco (CN)	Rovereto di Cherasco (CN)	4			
BANCO MARCHIGIANO CREDITO COOPERATIVO	Civitanova Marche (MC)	Civitanova Marche (MC)	4			
BANCA DI CREDITO COOPERATIVO DI CONVERSANO - SOCIETÀ COOPERATIVA	Conversano (BA)	Conversano (BA)	4			
BANCA CENTRO EMILIA - CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Corporeno (FE)	Corporeno (FE)	4			
CORTINABANCA - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Cortina d'Ampezzo (BL)	Cortina d'Ampezzo (BL)	4			
BANCA DI CREDITO COOPERATIVO DI FLUMERI - SOCIETÀ COOPERATIVA	Flumeri (AV)	Flumeri (AV)	4			
BANCA DI CREDITO COOPERATIVO VALDOSTANA - COOPERATIVE DE CREDIT VALDOTAINE - SOCIETÀ COOPERATIVA	Aosta	Gressan (AO)	4			
BVR BANCA VENETO CENTRALE - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Longare (VI)	Longare (VI)	4			

COMPANY NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
BANCA DI CREDITO COOPERATIVO DI LOCOROTONDO CASSA RURALE E ARTIGIANA - SOCIETÀ COOPERATIVA	Locorotondo (BA)	Locorotondo (BA)	4			
CREDITO COOPERATIVO - CASSA RURALE ED ARTIGIANA DEL FRIULI VENEZIA GIULIA - SOCIETÀ COOPERATIVA	Gorizia (GO)	Gorizia (GO)	4			
BANCA 360 CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	Udine	Udine	4			
PRIMACASSA - CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	Martignacco (UD)	Martignacco (UD)	4			
BANCA DI CREDITO COOPERATIVO DI BRESCIA - SOCIETÀ COOPERATIVA	Nave (BS)	Brescia	4			
BANCA CENTRO LAZIO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Palestrina (Rome)	Palestrina (Rome)	4			
BANCA DEL TERRITORIO LOMBARDO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Brescia	Brescia	4			
BANCA DI CREDITO COOPERATIVO DI PIANFEI E ROCCA DE' BALDI - SOCIETÀ COOPERATIVA	Pianfei (CN)	Pianfei (CN)	4			
BANCA MONTE PRUNO - CREDITO COOPERATIVO DI FISCIANO, ROSCIGNO E LAURINO - SOCIETÀ COOPERATIVA	Roscigno (SA)	Roscigno (SA)	4			
BANCA DI CREDITO COOPERATIVO DI LODI - SOCIETÀ COOPERATIVA	Lodi	Lodi	4			
BANCA DI CREDITO COOPERATIVO DI SAN GIOVANNI ROTONDO - SOCIETÀ COOPERATIVA	San Giovanni Rotondo (FG)	San Giovanni Rotondo (FG)	4			
BANCA DI CREDITO COOPERATIVO DI SAN MARZANO DI SAN GIUSEPPE - TARANTO - SOCIETÀ COOPERATIVA	San Marzano di San Giuseppe (TA)	San Marzano di San Giuseppe (TA)	4			
BANCA TERRITORI DEL MONVISO - CREDITO COOPERATIVO DI CASALGRASSO E SANT'ALBANO STURA SOCIETÀ COOPERATIVA	Carmagnola (TO)	Sant'Albano Stura (CN)	4			
BANCA DI CREDITO COOPERATIVO DI SARSINA - SOCIETÀ COOPERATIVA	Sarsina (FC)	Sarsina (FC)	4			
ROMAGNABANCA CREDITO COOPERATIVO ROMAGNA EST E SALA DI CESENATICO S.C.	Bellaria-Igea Marina (RN)	Rubicone (FC)	4			
BANCA DI CREDITO COOPERATIVO DI SPELLO E DEL VELINO - SOCIETÀ COOPERATIVA	Spello (PG)	Spello (PG)	4			
BANCA DI BOLOGNA CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Bologna	Bologna	4			
BANCA PREALPI SANBIAGIO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	Tarzo (TV)	Tarzo (TV)	4			
ZKB CREDITO COOPERATIVO DI TRIESTE E GORIZIA SOCIETÀ COOPERATIVA	Opicina (TS)	Opicina (TS)	4			
BANCA LAZIO NORD CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA PER AZIONI	Viterbo	Viterbo	4			
BANCA DI CREDITO COOPERATIVO LA RISCOSSA DI REGALBUTO - SOCIETÀ COOPERATIVA	Regalbuto (EN)	Regalbuto (EN)	4			
BANCA DI CREDITO COOPERATIVO ABRUZZI E MOLISE - SOCIETÀ COOPERATIVA	Atessa (CH)	Atessa (CH)	4			
BANCA ADRIA COLLI EUGANEI - CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	Adria (RO)	Adria (RO)	4			
SICILBANCA - CREDITO COOPERATIVO ITALIANO	Caltanissetta	Caltanissetta	4			

COMPANY NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
A.2 ENTITIES CONSOLIDATED ON A LINE-BY-LINE BASIS OTHER THAN COHESION CONTRACT						
NORD EST ASSET MANAGEMENT SA	Luxembourg	Luxembourg	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	100.00	100.00
ALLITUDE S.p.A.	Trento	Trento	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	96.70	96.70
				OTHER MINORITY INTERESTS	3.01	3.01
				TOTAL	99.71	99.71
ASSICURA AGENZIA S.r.l.	Udine	Udine	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	100.00	100.00
ASSICURA BROKER S.r.l.	Trento	Trento	1	ASSICURA AGENZIA S.r.l.	100.00	100.00
CLARIS LEASING S.p.A.	Treviso	Treviso	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	100.00	100.00
BANCA DI BOLOGNA REAL ESTATE S.r.l.	Bologna	Bologna	1	BANCA DI BOLOGNA CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	100.00	100.00
IMMOBILIARE VILLA SECCAMANI S.r.l.	Leno (BS)	Leno (BS)	1	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	100.00	100.00
PRESTIPAY S.p.A.	Udine	Udine	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	100.00	100.00
A.3 ENTITIES CONTROLLED BUT CONSOLIDATED AT EQUITY FOR MATERIALITY LIMITS						
AZIENDA AGRICOLA ANTONIANA S.r.l.	Leno (BS)	Leno (BS)	1	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	100.00	100.00
AGORÀ S.r.l.	Leno (BS)	Narbolia (OR)	1	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	100.00	100.00
RAIFFEISEN IMMOBILIEN S.r.l.	Renon (BZ)	Renon (BZ)	1	CASSA RURALE RENON SOCIETÀ COOPERATIVA	100.00	100.00
VERDEBLU IMMOBILIARE S.r.l.	Cherasco (CN)	Cherasco (CN)	1	BANCA DI CREDITO COOPERATIVO DI CHERASCO - SOCIETÀ COOPERATIVA	100.00	100.00
CASSA RURALE ALTA VALSUGANA SOLUZIONI IMMOBILIARI S.r.l.	Pergine Valsugana (TN)	Pergine Valsugana (TN)	1	CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	100.00	100.00
QUADRIFOGLIO 2018 S.r.l.	Castenaso (BO)	Castenaso (BO)	1	BCC FELSINEA - BANCA DI CREDITO COOPERATIVO DAL 1902 - SOCIETÀ COOPERATIVA	100.00	100.00
SOCIETÀ AGRICOLA TERRE DELLA ROCCA S.r.l.	Bologna	Bologna	1	BANCA DI BOLOGNA REAL ESTATE S.p.A.	100.00	100.00
ASSICURA S.r.l.	Udine	Udine	1	BANCA 360 CREDITO COOPERATIVO FVG SOCIETÀ COOPERATIVA	32.78	32.78
				PRIMACASSA - CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	19.68	19.68
				CREDITO COOPERATIVO - CASSA RURALE ED ARTIGIANA DEL FRIULI VENEZIA GIULIA - SOCIETÀ COOPERATIVA	15.19	15.19
				ZKB CREDITO COOPERATIVO DI TRIESTE E GORIZIA SOCIETÀ COOPERATIVA	9.98	9.98
				TOTAL	77.63	77.63
CLARIS RENT S.p.A.	Treviso	Treviso	1	CLARIS LEASING S.p.A.	100.00	100.00
CENTRALE TRADING S.r.l. IN LIQUIDATION	Trento	Trento	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	42.50	42.50
				ALLITUDE S.p.A.	10.00	10.00
				TOTAL	52.50	52.50
CENTRALE SOLUZIONI IMMOBILIARI S.r.l. IN LIQUIDATION	Trento	Trento	1	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	100.00	100.00
FONDO LEONIDA	Verona	Verona	4	BANCA DEL TERRITORIO LOMBARDO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	n.a.	n.a.

\*Relationship type:

1 = majority of voting rights in the ordinary shareholders' meeting

2 = dominant influence in the ordinary shareholders' meeting

3 = agreements with other shareholders

4 = other forms of control

5 = unitary management pursuant to Article 39, paragraph 1, of "Legislative Decree no. 136/2015"

6 = unitary management pursuant to Article 39, paragraph 2, of "Legislative Decree no. 136/2015"

## Structured entities

In accordance with IFRS 12 paragraph B21, there are defined entities structured so that voting or similar rights are not the predominant factor in determining who controls the entity.

Structured entities have all or some of the following characteristics:

- limited activities;
- a limited and well-defined social purpose;
- insufficient equity to allow the structured entity to finance its activities without subordinated financial support;
- loans by investors that create concentrations of credit risk or other risks (tranches).

Structured entities subject to consolidation are those over which the Cassa Centrale Group has the power over the entity's relevant activities and is exposed to the variability of their returns, by virtue of the financial instruments underwritten.

At the end of the reporting period, the Cassa Centrale Group consolidated the Fondo Leonida (closed-end alternative real estate investment fund) using the equity method because it is below the aforementioned materiality limit, by virtue of the financial instruments subscribed (fund units), financial support to the fund and exposure to the variability of returns on the fund's relevant activities.

## Associates

An associate is a company in which the investing company has significant influence and which is not a subsidiary or part of a joint venture. Significant influence is presumed when the investing company holds, directly or indirectly, at least 20% of the capital of another company. Further indicators of significant influence are as follows:

- representation on the company's governance body;
- participation in the process of defining policies, including therein participation in decisions relating to dividends or other profit distributions;
- the existence of significant transactions between the investor and the investee company;
- the exchange of managerial personnel;
- provision of essential technical information.

Equity investments in associates are consolidated according to the equity method. The equity method provides for the initial recognition of the investment at cost and its subsequent value adjustment based on the share of the investee company's equity. The equity investment in associates includes goodwill (net of any impairment) paid for the acquisition. Participation in the post-acquisition profits and losses of associates is booked to the income statement under item 250. Profit (loss) on equity investments.

Any distribution of dividends is used to reduce the book value of the equity investment.

If the interest in the losses of an associate is equal to or exceeds the book value of the investee, no further losses are recognised, unless specific obligations have been undertaken in favour of the associate or payments have been made to said entity.

The valuation reserves of the associates are shown separately in the Statement of Consolidated Comprehensive Income.

The full scope of the investments in associates belonging to the Cassa Centrale Group as at 30 June 2025 is shown below:

NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
B. COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE						
LE CUPOLE S.r.l.	Manerbio (BS)	Manerbio (BS)	4	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	22.00	22.00
FINANZIARIA TRENTINA DELLA COOPERAZIONE	Trento	Trento	4	BANCA PER IL TRENTINO ALTO ADIGE – BANK FÜR TRENTINO-SÜDTIROL – CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	8.49	8.49
				CASSA RURALE ALTOGARDA – ROVERETO BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	7.22	7.22
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	7.18	7.18
				CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	4.08	4.08
				CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.78	3.78
				FPB CASSA DI FASSA PRIMIERO BELLUNO BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.27	3.27
				LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - SOCIETÀ COOPERATIVA	3.14	3.14
				CASSA RURALE VAL DI FEMME - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.12	3.12
				CASSA RURALE VALSUGANA E TESINO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.88	2.88
				OTHER MINORITY INTERESTS	4.35	4.35
				TOTAL	47.51	47.51
PARTECIPAZIONI COOPERATIVE S.r.l.	Trento	Trento	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	13.92	13.92
				BANCA PER IL TRENTINO ALTO ADIGE – BANK FÜR TRENTINO-SÜDTIROL – CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	7.89	7.89
				CASSA RURALE ALTOGARDA – ROVERETO BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	5.80	5.80
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	5.10	5.10
				CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.18	4.18
				FPB CASSA DI FASSA PRIMIERO BELLUNO BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.32	2.32
				CASSA RURALE VALLAGARINA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.09	2.09
				OTHER MINORITY INTERESTS	6.49	6.49
				TOTAL	47.79	47.79
SERENA S.r.l.	Manzano (UD)	Manzano (UD)	4	BANCA 360 CREDITO COOPERATIVO FVG SOCIETÀ COOPERATIVA	29.05	29.05
RITTNERHORN SEILBAHNEN AG	Renon (BZ)	Renon (BZ)	4	CASSA RURALE RENON SOCIETÀ COOPERATIVA	23.97	23.97
SENIO ENERGIA S.r.l., IN LIQUIDATION	Faenza (RA)	Faenza (RA)	4	BANCA DI CREDITO COOPERATIVO DELLA ROMAGNA OCCIDENTALE - SOCIETÀ COOPERATIVA	22.22	22.22

NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
RENDENA GOLF S.p.A.	Bocenago (TN)	Bocenago (TN)	4	LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - SOCIETÀ COOPERATIVA	26.67	22.03
SCOUTING S.p.A.	Bellaria - Igea Marina (RN)	Bellaria - Igea Marina (RN)	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	8.26	8.26
				ROMAGNABANCA CREDITO COOPERATIVO ROMAGNA EST E SALA DI CESENATICO S.C.	6.29	6.29
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	6.29	6.29
				BANCA PREALPI SANBIAGIO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.88	4.88
				BANCA MALATESTIANA - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.65	4.65
				<b>TOTAL</b>	<b>30.37</b>	<b>30.37</b>
CABEL HOLDING S.p.A.	Empoli (FI)	Empoli (FI)	4	CASTAGNETO BANCA 1910 - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	19.50	19.50
				CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	7.66	7.66
				BANCA LAZIO NORD CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA PER AZIONI	2.01	2.01
				<b>TOTAL</b>	<b>29.17</b>	<b>29.17</b>
SERVIZI E FINANZA FVG S.r.l.	Udine	Udine	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	26.99	26.99
CONNESSIONI - IMPRESA SOCIALE S.r.l.	Brescia	Brescia	4	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	30.00	30.00
DISTRETTO RURALE TERRE BASILIANE DEL CILENTO S.c.a.r.l	Futani (SA)	Futani (SA)	4	BANCA DI CREDITO COOPERATIVO DI AQUARA SOCIETÀ COOPERATIVA	20.69	20.69

\*Relationship type:

- 1 - majority of voting rights in the ordinary shareholders' meeting
- 2 - dominant influence in the ordinary shareholders' meeting
- 3 - agreements with other shareholders
- 4 - company subject to a significant influence
- 5 - unitary management pursuant to Article 26, paragraph 1, of "Legislative Decree no. 87/92"
- 6 - unitary management pursuant to Article 26, paragraph 2, of "Legislative Decree no. 87/92"
- 7 - joint ventures
- 8 - other type of relationship

## Jointly controlled companies

A joint arrangement is a contractual agreement in which two or more counterparties have joint control.

Joint control is the sharing, on a contractual basis, of control of an agreement, which exists solely when the unanimous consent of all parties that share control is required for decisions relating to significant assets. According to IFRS 11, joint arrangements must be classified as joint operations or joint ventures based on the contractual rights and obligations held by the Group.

A joint operation is a joint arrangement in which the parties have rights over the assets and obligations with respect to the liabilities of the agreement. A joint venture is a joint arrangement in which the parties have rights over the net assets of the agreement. These equity investments are measured according to the equity method.

The full scope of the jointly controlled subsidiaries that are part of the Cassa Centrale Group as at 30 June 2025 is shown below:

NAME	Operating headquarters	Registered office	Relationship type*	Investment relationship		% Votes available
				Investing company	% Share	
A. JOINTLY CONTROLLED COMPANIES						
FRONTE PARCO IMMOBILIARE S.r.l.	Bologna	Bologna	7	BANCA DI BOLOGNA CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	50.00	50.00
FEDERAZIONE DELLE BCC DEL FRIULI VENEZIA GIULIA S.r.l.	Udine	Udine	7	BANCA 360 CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	24.26	12.5
				PRIMACASSA - CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	15.68	12.5
				CREDITO COOPERATIVO - CASSA RURALE ED ARTIGIANA DEL FRIULI VENEZIA GIULIA - SOCIETÀ COOPERATIVA	10.25	12.5
				ZKB CREDITO COOPERATIVO DI TRIESTE E GORIZIA SOCIETÀ COOPERATIVA	9.12	12.5
				TOTAL	59.31	50

\*Relationship type:

- 1 - majority of voting rights in the ordinary shareholders' meeting
- 2 - dominant influence in the ordinary shareholders' meeting
- 3 - agreements with other shareholders
- 4 - company subject to a significant influence
- 5 - unitary management pursuant to Article 26, paragraph 1, of "Legislative Decree no. 87/92"
- 6 - unitary management pursuant to Article 26, paragraph 2, of "Legislative Decree no. 87/92"
- 7 - joint ventures
- 8 - other type of relationship

## Significant valuations and assumptions for determining the scope of consolidation

The scope of consolidation is determined in compliance with the provisions contained in international accounting standard IFRS 10 Consolidated financial statements. Based on this principle, the control requirement forms the basis of the consolidation of all types of entities, including structured entities when the conditions are met, and is realised when an investor simultaneously has:

- the power to determine the relevant activities of the entity;
- is exposed to or benefits from the variable returns deriving from its involvement with the entity;
- the ability to exercise its power to influence the amount of its returns (link between power and returns).

IFRS 10 establishes that, to have control, the investor must have the ability to direct the relevant activities of the entity, based on a legal right or mere de facto situation, and also be exposed to the variability of the results stemming from this power.

Therefore, the Cassa Centrale Group consolidates all types of entities when all three aspects of control are present.

Generally, when an entity is directed through voting rights, control derives from holding more than half of the voting rights.

In other cases, determination of the scope of consolidation calls for consideration of all factors and circumstances that give the investor the practical ability to unilaterally manage the relevant activities of the entity (de facto control). To this end, it is necessary to consider a combination of factors, such as, merely by way of an example:

- the scope and design of the entity;
- the identification of the relevant activities and how they are managed;
- any right held through contractual agreements which confer the power to govern the relevant activities, such as the power to determine the financial and operating policies of the entity, the power to exercise the majority of voting rights in the decision-making body or the power to appoint or remove the majority of the body with decision-making functions;
- any potential voting rights exercisable and considered substantial;



- the involvement in the entity in the role of agent or principal;
- the nature and the dispersion of any rights held by other investors.

With reference to the Group's situation at the date of these condensed consolidated half-yearly financial statements, all companies in which the majority of voting rights in the ordinary shareholders' meeting are held are considered wholly-owned subsidiaries, given that no evidence has been highlighted that the other investors have the practical ability to direct the relevant activities.

For companies in which half or less of voting rights are held, at the date of these condensed consolidated half-yearly financial statements, no agreements, statutory clauses or situations able to attribute the Cassa Centrale Group the practical capacity to unilaterally govern the relevant activities were identified.

## Equity investments in wholly-owned subsidiaries with significant third-party interests

At the date of these condensed consolidated half-yearly financial statements, there are no subsidiaries through an equity relationship with significant third-party interests.

## Significant restrictions

At the date of these condensed consolidated half-yearly financial statements, there are no legal or substantive obligations or restrictions able to obstruct the rapid transfer of capital resources within the Group. The only restrictions are those attributable to regulatory provisions which may require a minimum amount of regulatory capital to be retained, or to the provisions of the Italian Civil Code on distributable profits and reserves.

It should be noted that there are no protective rights held by minorities able to limit the Group's capacity to access or transfer assets between Group companies or settle the Group's liabilities, including in relation to the fact that, as at 30 June 2025, there are no subsidiaries with significant third-party interests, as stated in the previous paragraph.

## Other information

The accounting positions forming the basis of the line-by-line consolidation process are those relating to 30 June 2025, as approved by the competent bodies of the consolidated companies adjusted, where necessary, to bring them into line with the homogeneous accounting standards of the Group.

For the consolidation of companies subject to joint control and investments in associates, the most recent financial statements (annual or interim) approved by the companies have been used. In cases where the companies do not apply IAS/IFRS, it is verified that any application of IAS/IFRS would not have had a significant impact on the Consolidated Financial Statements of the Cassa Centrale Group.

## Section 4 – Subsequent events

In relation to the provisions of IAS 10, between 30 June 2025, the reference date of this document, and its approval by the Board of Directors on 18 September 2025, no events occurred such as to entail a change in the data presented in the financial statements.

The accounting estimates as at 30 June 2025 were made on the basis of a series of macroeconomic and financial indicators expected at that date.

For subsequent events, please refer to the detailed analysis in the Report on Operations under chapter 9.

## Section 5 – Other aspects

### a) IFRS accounting standards, amendments and interpretations applicable from 1 January 2025

The following IFRS accounting standards, amendments and interpretations were applied by the Group for the first time from 1 January 2025:

- amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability”, which requires an undertaking entity to identify a methodology, to be applied consistently, for assessing whether a currency can be converted into another currency and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be provided in the explanatory notes.

The above amendments did not have an impact on the Group’s financial position and economic results as at 30 June 2025.

### b) Endorsed accounting standards that will enter into force after the reporting date

The accounting standards and accounting interpretations or amendments to existing accounting standards that will enter into force after 30 June 2025 are shown below:

- amendments to IFRS 7 and IFRS 9: “Amendments to the Classification and Measurement of Financial Instruments”, which mainly concern the rules on settling financial liabilities using an electronic payment system. Again with reference to the amendments to IFRS 7 and IFRS 9: “Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7”, which seek to support entities in reporting the financial effects of purchase contracts of electricity produced from renewable sources (often structured as Power Purchase Agreements).

The directors do not foresee that the adoption of the accounting standards and amendments cited above will have a significant impact on the financial and economic position of the Group, albeit further assessments are under way.

### c) Accounting standards still not endorsed which will enter into force in the next few years

The following amended accounting principles, instead, have not yet been endorsed by the European Commission:

- IFRS 18 “Presentation and Disclosure in Financial Statements”, which will replace IAS 1, is aimed at providing investors with more transparent and comparable information about an entity’s financial results, thus facilitating investment decisions;
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”, which makes it possible for the subsidiaries without public accountability that apply IFRS standards to provide reduced information in the financial statements;
- Annual Improvements Volume 11: the document includes clarifications, simplifications, corrections and changes intended to improve consistency among various IFRS Accounting Standards. The amended standards are IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and the related implementing guidelines for IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash Flows.

The directors do not foresee that the adoption of the accounting standards and amendments cited above will have a significant impact on the financial and economic position of the Group.

#### **d) Risks, uncertainties, impacts and methods of application of the international accounting standards in the current macroeconomic context**

With reference to the guidance and guidelines issued by European regulatory and supervisory bodies, as well as by standard setters, one of the most recent relevant publications is the public statement issued by the ESMA on 24 October 2024 entitled “European common enforcement priorities for 2024 corporate reporting”, which reiterates the importance of climate-related matters, a factor also present in previous publications, and provides recommendations on certain aspects related to sustainability reporting. In particular, the ESMA underlines the importance of consistency and connection between the information related to climate risks and opportunities provided in financial statements and the information included in the aforesaid sustainability reporting.

In 2025, aspects of exceptional uncertainty persisted due to ongoing geopolitical tensions, with particular reference to the continuation of the Russia-Ukraine conflict and the widening of clashes in the Middle East, as well as an overall context inherent to US protectionist policy that sees the imposition of more or less severe tariffs both towards euro area countries and towards the rest of the world. From the final quarter of 2024, these conditions were joined by another element of complexity linked to the prospect of a sharp reduction in European automotive sector sales, which sees growing competition from non-European competitors in the context of the planned phase-out of combustion car engines in new vehicles from 2035.

Against this backdrop, Europe has revised its three-year growth estimates downwards. In addition, it set up a military rearmament plan (“RearmEU”) aimed at strengthening EU defence, in view of the potential disengagement feared in some circumstances from members of the US government. Germany – the leading industrial economy of the European bloc with important influences and interconnections with Italian industry – saw the continuation of a stagnating economy and undertook a review of public spending limits aimed at stimulating the national economy.

European monetary policy in recent years has been aimed at containing inflation by means of a restrictive policy. As of 2024, this monetary policy was repositioned by the European Central Bank to neutral, with a gradual reduction in interest rates. However, given the aforementioned macroeconomic and geopolitical scenario, it is unclear what path will be taken in the near future, given an uncertain growth trend, which makes it possible for direct and indirect impacts on credit risk to occur in the context of debt servicing, for businesses and households. In particular, despite inflation being on track for the target defined by the Central Bank, further uncertainties remain attributable to the volatility of energy prices and real growth prospects, in certain sectors such as the agri-food and wine sectors, which are influenced by the national and European economic framework as well as by import tariff policies implemented by the United States.

Furthermore, sectors linked to real estate find themselves in a context of prospective uncertainty given the substantial end of recent extraordinary government incentives, including tax credit management, which will see a return to a more ordinary framework of support.

Considering that the elements of uncertainty illustrated above affect the risk measurement system, which is particularly complex in the current context of market uncertainties, the Cassa Centrale Group has implemented a conservative risk management policy by continuing to adopt enhanced control measures and processes, as in previous years.

The Group continued to pay particular attention to the onset of potential critical concerns and new vulnerabilities in the context of credit risk, thus launching important activities intended, on the one hand, to identify any direct impacts on the risk factors associated with the exposures and, on the other, to incorporate macroeconomic expectations and the identification of new sector-level vulnerabilities, thanks to the update to the historical series and macroeconomic scenarios of the IFRS9 impairment model.

In line with the previous update, the new IFRS9 model also sets out several ESG-related parameters, such as the analysis of the materiality of climate and environmental risks developed over the first half of 2024, and updated during the first quarter of 2025, and further variables such as the effect of physical and transition risks on the recovery process (loss given default, LGD) and on the value of real estate (haircut on the value of collateral).

Economic activities in the Eurozone saw macroeconomic growth of +0.8% in 2024. The ECB, in its regular bulletin in June 2025, revised its projections for the change in real GDP to 0.9 % in 2025, 1.1 % in 2026 and 1.3 % in 2027, down from the December 2024 forecasts. This revision is justified by global trade tensions and uncertainty, partly mitigated in the medium term by the positive effects associated with defence and infrastructure spending and the expected increase in household incomes.

Similar trends can be seen across the Italian macroeconomic context. In particular, in June 2025, the Bank of Italy published the GDP forecasts for Italy, which indicated a growth trend supported by consumption of +0.6%, +0.8% and +0.7% respectively for the 2025-2027 three-year period, down on previous estimates. Inflation also remains substantially contained for the next three years, at 1.5% for 2025 and 2026 and 2% for 2027.

In terms of preparing the Condensed consolidated financial statements as at 30 June 2025, the Group continued to adopt the guidelines and recommendations issued by the European regulatory and Supervisory Authorities, as well as by the standard setters, while taking into account the assessments of the significant business activities and the residual support measures put in place by the Government to support households and businesses.

Lastly, the management of the Cassa Centrale Group placed, as usual, special attention on the causes of uncertainty inherent in the estimates that are part of the quantification process of certain items relating to the financial statement assets and liabilities. Due to the effects of the evolution of the current macroeconomic environment arising from international tensions, the main areas of uncertainty in estimates include those relating to credit losses, the fair value of financial instruments, the fair value of real estate investments (IAS 40), income taxes and the recoverability of deferred tax assets, goodwill and other intangible assets.

## **Classification and measurement of loans to customers based on the general impairment model IFRS 9**

In order to calculate the expected loss at 30 June 2025, the Cassa Centrale Group incorporated macroeconomic scenarios into its IFRS 9 impairment model, in line with the provisions of the standard. These scenarios include the effects of the continuation of geopolitical crises and potential implications of the trade tariff policy proposed by the United States, and currently being defined. These aspects have partial impacts on growth forecasts, the main macroeconomic variables and financial indicators for 2025-2027, compared to previous forecasts.

For the calculation of IFRS9 value adjustments on the customer-loan portfolio as at 30 June 2025, the Group adopted an update of the IFRS9 models, introduced during the last quarter of 2024, calibrated to the historical series as at 31 December 2024 or the latest Prometeia macroeconomic scenarios provided in May 2025.

The interventions outlined were finalised using a conservative approach, in accordance with the IAS/IFRS accounting standards and in line with the macroeconomic and financial framework that emerged in 2024, evolving over the initial months of 2025, as described in the previous section.

In this context of uncertainty, the Group deemed it appropriate to incorporate the potential impacts of the aforementioned events – which would suggest a possible increase in insolvency rates – into its credit evaluations. The residual support measures introduced by the State, such as those relating to the granting of state guarantees, required a high degree of attention to the credit management and monitoring mechanism, in order to promptly intercept possible effects of deterioration of counterparties that still remain unclear.

These uncertainties resulted in the identification of some areas of intervention considered worthy of further incisive actions to increase coverage, in line with the strict requirements envisaged by the Group policies and with the recommendations of the Supervisory Authority.

In this context and, as reported in further detail in the previous section, with effect on the consolidated half-yearly financial statements as at 30 June 2025, the overlay system set out in the financial statements as at 31 December 2024 was confirmed by making limited adjustments primarily related to the updating of parameters associated with climate and environmental risks.

For the purposes of calculating the expected loss as at 30 June 2025, the Cassa Centrale Group has used four scenarios (mild, baseline, plausibly adverse, and severely adverse), appropriately averaging their contributions, in accordance with the assessment of macroeconomic projections that expect continued high variability in the future. The scenarios used were those provided by the info-provider Prometeia, as were their probabilities, in accordance with a scenario generation system that considers publications from leading forecasting bodies, as well as publications issued by the Supervisory Authorities, with no corrections. The historical series used to calibrate all parameters of the IFRS9 model (PD, LGD, EAD and SICR) were updated to the most recent series available as at 31 December 2024. Despite the confirmed growth trend for the 2025-2027 three-year period, the update of the macroeconomic scenarios continues to impact negatively on the short-term forecasts of the Group's risk factors, albeit less severely compared to projections previously used in the recent past.

Furthermore, in the face of substantial replacement of measurement systems (IFRS9 rating and models) adopted in the fourth quarter of 2024 and in light of the updates outlined above, refinements were made regarding the introduction of the effect related to prepayments (early repayment of instalment exposures) as well as certain conservative treatments aimed at improving the classification of credit exposures within stage 2, including the extension of the back-stop of the significant increase in credit risk thresholds to 300% to the natural persons segment, as well as the launch of a process to diversify multi-period PD curves at origination.

The corrective measures on PD and LGD parameters also continued, with the intention to incorporate into the model and, therefore, influence the provisions relating to loans to customers, the initial impacts related to climate and environmental risks and, in a more extensive approach, the main ESG factors. In this context, therefore, the Group incorporated the potential prospective long-term (2050) effects arising from climate-related and environmental risks associated with credit risk into the expected loss calculation.

In order to reflect the uncertainty in the outlook for certain segments of the economy and in line with ECB regulations, the new models make it possible to differentiate the PD curves at the geo-sectoral level, including through the use of the Group's same satellite models and by including the specific scenario projections. This all has an effect on the stage allocation and the calculation of expected losses in several economic sectors and geographic areas measured as most at risk.

Access to support measures was treated from a particularly conservative approach: in particular, for government guarantees given as part of newly originated loans or existing exposures, a specific LGD has been consistently factored into the expected loss calculation that also reflects the collection capacity of the same guarantees, determining a specific calibration of the LGD linked to State-secured loans.

Where the sectors deemed particularly at risk are concerned, the stage classification process of the performing portfolio continued to manifest the effects of the prudential backstop of 300% of the SICR, such as the maximum threshold of variation between lifetime PD at the reporting date and that defined at the origination date on each relationship.

With reference to the current approach and the staging allocation criteria, a suitable and appropriate criteria was identified for collective stage 2 classification was identified to integrate the individual SICR approach. In this way, homogeneous clusters of credit exposures were determined in terms of geographic area, economic activity, and counterparty rating, which, given the risk level, are classified as stage 2 with a forward-looking approach. In this context, the low-credit risk exemption criteria (LCRE, as an exemption of the SICR) uses an assessment purely based on the twelve-month PDs envisaged by IFRS 9.

Furthermore, with reference to the EAD parameter, for the purposes of determining the expected loss lifetime and the staging allocation, in the absence of a contractual maturity, on the basis of the provisions of the CRR - Capital Requirements Regulation on maturity of AIRB (Advanced Internal Rating Based) models, a behavioural maturity is assigned estimated using internal data.

The interventions outlined above, guided primarily by a conservative approach, in accordance with the IAS/IFRS accounting standards, and in any case improved and finalised during previous years, made it possible to limit potential future "cliff effects" as well as identify the economic sectors at greatest risk in the current environment. At the same time, this also ensured the reduction of potentially distorted elements in the estimates; note an overall impact related to managerial adjustments, from the adjustment provisions arising from the IFRS9 valuation model, amounting to approximately EUR 289 million as at 30 June 2025, mainly attributable to the performing loans segment.

The retrospective sensitivity analysis, carried out on the portfolios of loans to commercial customers, with reference to the introduction of updates to the IFRS9 models, showed the following two effects as at 30 June 2025:

- the update to the historical series and macroeconomic scenarios, with the same calibration compared to the models previously used, results in an increase in the overall performing coverage expressed by the model of approximately +14% against a slight increase in the stage 2 classification;
- in this context, the introduction of the prepayment effect, the refinements on the stage 2 valuation and the calibration of the Group's overlays related to climate and environmental risks and model volatility allow for substantially minor changes to the impairment provision connected with the performing portfolio.

In the first half of 2025, the Parent Company carried out its usual routine monitoring of the Group's entire loan portfolio in order to ensure the correct classification of loans to customers.

## **e) Measurement of securities at fair value**

The Cassa Centrale Group's securities portfolio at fair value mainly consists of listed government securities with fair value level 1.

The remaining investments in unlisted non-controlling interests and recognised in the portfolio of financial assets measured at fair value through other comprehensive income, exceeding certain thresholds, provided for by the Group's "Fair Value Policy" were measured as at 30 June 2025. Considering that, for these securities, the prevailing valuation methods are those of the market (market approach), it is believed that they incorporate the current market context. In this regard, in order to reflect the turbulence seen on the financial markets it was deemed appropriate to adopt a limited observation horizon of the market capitalisations of comparable listed companies. Specifically, reference was made to the precise observations as at the date the parameters were updated and, limited to the application of the regression methodology, also to the average of the six-month observations.

## **f) Impairment test of goodwill and intangibles**

Although the Cassa Centrale Group conducted an impairment test of goodwill and intangible assets when preparing the consolidated financial statements as at 31 December 2024, in accordance with IAS 36, it carried out an analysis of the relevant impairment indicators as at 30 June 2025. This analysis did not reveal the need to perform an impairment test on the intangible assets included in the scope of valuation for the preparation of these condensed consolidated half-yearly financial statements as at 30 June 2025.

Therefore, the impairment test will be carried out at the time of the 2025 annual financial statements, i.e. 12 months after the previous impairment test, in compliance with the maximum time horizon envisaged by international accounting standards.

## **g) Tax consolidation option**

The Consolidated Law on Income Tax (TUIR) provides for the possibility, for companies belonging to the same group, to determine a single overall global income – or a single reportable tax loss – corresponding, in principle, to the algebraic sum of the taxable incomes or tax losses of the individual participant companies (i.e. parent company and companies directly and/or indirectly controlled to an extent greater than 50% according to certain requirements) and, as a result, to determine a single tax debt/credit (so-called "national tax consolidation", governed by articles 117-129 of the TUIR).

By virtue of this option, the Parent Company and the subsidiaries Allitude S.p.A., Claris Leasing S.p.A., Prestipay S.p.A., Assicura Agenzia S.r.l., Assicura Broker S.r.l., Centrale Soluzioni Immobiliari S.r.l. in liquidation and Claris Rent S.p.A., which joined the national tax consolidation exercising the related option for the 2023-2025 three-year period, determined their tax burden and the corresponding taxable income was transferred to the Parent Company.

## A.2 – Part relating to the main items in the accounts

The accounting standards adopted for the preparation of these condensed consolidated half-yearly financial statements are shown below.

### 1 – Financial assets measured at fair value through profit or loss

#### Classification criteria

Financial assets measured at fair value through profit or loss include:

- financial assets which, according to the business model of the Group, are held for trading purposes, i.e. debt and equities and the positive value of derivative contracts held for trading purposes. These assets are included under consolidated asset item 20. Financial assets measured at fair value through profit or loss, sub-item “a) financial assets held for trading”;
- the financial assets designated at fair value at the moment of initial recognition where the conditions are satisfied (that happens if, and only if, on designation at fair value an accounting asymmetry is eliminated or significantly reduced). These assets are included under consolidated asset item 20. Financial assets measured at fair value through profit or loss, sub-item “b) financial assets designated at fair value”;
- the financial assets that do not pass the so-called SPPI Test (financial assets whose contractual terms do not make exclusive provision for the repayments of principal and interest payments on the amount of principal to be repaid) or that in any case, are obligatorily measured at fair value. These assets are included under consolidated asset item 20. Financial assets measured at fair value through profit or loss, sub-item “c) other financial assets mandatorily measured at fair value”.

Therefore, the Group recognises the following in this item:

- debt securities and loans included in an Other business model (not attributable to Hold to Collect or Hold to Collect and Sell business models) or that do not pass the SPPI Test (including therein UCITS units);
- equity instruments, excluded from those addressed by IFRS 10 and IAS 27 (controlling interests, associates or joint ventures), not measured at fair value through other comprehensive income. In fact, IFRS 9 provides for the possibility of exercising, at the time of initial recognition, the irreversible option (so-called OCI option) to recognise an equity instrument at fair value through other comprehensive income.

This item also includes derivative contracts held for trading that have a positive fair value. The offsetting between the positive and negative present values deriving from transactions with the same counterparty is only possible if there is a legal right to offset the amounts recognised in the accounts and if there is an intention to settle on a net basis the items subject to offsetting.

The reclassification of a financial asset to a different accounting category is permitted only in the event of a change in the business model. Exceptions to this rule are equities for which no reclassification is permitted. More specifically, changes in business model - which in any case should very rarely happen - must be decided by senior management as a result of external or internal changes, must be relevant to the Group's operations and must be demonstrable to external parties. A change in business model could, for example, occur in the case of the acquisition, termination or divestment of a business line or branch of business. In the rare cases of changes to the business model, financial assets measured at fair value through profit or loss may be reclassified to financial assets measured at amortised cost or to financial assets measured at fair value through other comprehensive income.

The reclassification is applied prospectively from the date of reclassification, which, in fact, coincides with the first day of the accounting period following the change in business model that led to the reclassification of the financial assets.

In the event of reclassification from this category to the amortised cost category, the fair value at the date of reclassification represents the new gross carrying amount on the basis of which the effective interest rate is determined.

If, on the other hand, the category in question is reclassified to the category of financial assets measured at fair value through other comprehensive income, the fair value at the date of reclassification is the new gross carrying amount and the effective interest rate is determined on the basis of this value at the date of reclassification. In addition, for the purposes of applying the provisions on write-downs from the date of reclassification, the latter is considered to be the date of initial recognition.

## Recognition criteria

The initial recognition of financial assets takes place at the settlement date if settled with the time intervals set by market practices (regular way), otherwise at the trade date. In the case of recognising the financial assets at the settlement date, the profits and losses recorded between the trade date and the settlement date are recognised in the income statement. Upon initial recognition the financial assets held for trading are recorded at the fair value; unless otherwise indicated, this is represented by the amount paid for executing the transaction, without considering the costs or income referring to it and attributable to the same instrument, which are recorded directly in the income statement.

## Measurement criteria

Following initial recognition, the financial assets measured at fair value through profit or loss are measured at fair value with recognition of the related changes in the income statement. If the fair value of a financial asset becomes negative, this entry is booked as a financial liability. The change in the fair value of derivative contracts with “customers” counterparties takes their credit risk into account.

To calculate the fair value of the financial instruments listed in an active market, the market listings are used. In the absence of an active market, commonly adopted estimation methodologies are used to factor in all relevant risk factors related to the instruments.

For further details on how fair value is determined, please refer to paragraph “A.4 - Information on fair value” of this part A.

## Derecognition criteria

The financial assets measured at fair value through profit or loss are derecognised when the contractual rights on the cash flows deriving from the same expire or when the financial asset is sold substantially transferring all the associated risks and rewards.

When it is not possible to ascertain the substantial transfer of the risks and rewards, the financial assets are derecognised from the financial statements unless control of said assets has been maintained. Conversely, if control is maintained, even only partial, it is necessary to retain the assets in the financial statements to the extent of the continuing involvement, measured by the exposure to changes in value of the assets transferred and the changes in their cash flows.

The securities delivered as part of a transaction which contractually envisages their repurchase are not derecognised from the financial statements.

## Criteria for the recognition of the income components

The positive income components represented by the interest income on securities and relating similar income, as well as the differentials and margins accrued until the date of the financial statements relating to the derivative contracts classified to the item, but managerially connected to the assets or liabilities measured at fair value (so-called fair value option), are entered in the income statement items relating to interest on an accrual basis. The profits and losses from the disposal or repayment and the profits and losses not realised deriving from the changes in the fair value of the trading book are classified in the consolidated



income statement under item 80. Net result from trading for instruments held for trading and in item 110. Net result on other financial assets and liabilities measured at fair value through profit or loss for instruments obligatorily measured at fair value and for instruments measured at fair value.

## 2 - Financial assets measured at fair value through other comprehensive income

### Classification criteria

The financial assets recorded under this item include:

- debt securities, loans and receivables for which:
  - the business model associated to financial assets aims at collecting both the cash flows envisaged contractually and the flows deriving from sale (Hold To Collect and Sell business model);
  - the SPPI Test is passed as the contractual terms only provide for repayments of principal and interest payments on the amount of principal to be repaid.
- equities for which the so-called OCI option has been exercised as an irrevocable choice to present subsequent changes in the fair value of these instruments in other components of the comprehensive income statement. In this respect, it should be noted that the exercise of the so-called OCI option:
  - shall be made at the time of initial recognition of the instrument;
  - must be carried out at the level of the individual financial instrument;
  - is irrevocable;
  - is not applicable to instruments that are held for trading or represent contingent consideration recognised by a purchaser in a business combination to which IFRS 3 applies.

The reclassification of a financial asset to a different accounting category is permitted only in the event of a change in the business model. Exceptions to this rule are equities for which no reclassification is permitted. More specifically, changes in business model - which in any case should very rarely happen - must be decided by senior management as a result of external or internal changes, must be relevant to the Group's operations and must be demonstrable to external parties. A change in business model could, for example, occur in the case of the acquisition, termination or divestment of a business line or branch of business. In the rare cases of changes to the business model, financial assets measured at fair value through other comprehensive income may be reclassified to financial assets measured at amortised cost or to financial assets measured at fair value through profit or loss.

The reclassification is applied prospectively from the date of reclassification, which, in fact, coincides with the first day of the accounting period following the change in business model that led to the reclassification of the financial assets.

In the event of reclassification from this category to the amortised cost category, the fair value at the date of reclassification becomes the new gross value for the purposes of amortised cost. The cumulated profits and losses recorded in the OCI reserve are eliminated from equity and adjusted for the fair value of the financial assets at the date of reclassification. Consequently, the financial asset is valued at the date of reclassification as if it had always been measured at amortised cost. The effective interest rate and the valuation of expected losses are not restated following the reclassification.

If, on the other hand, this category is reclassified to the category of financial assets measured at fair value through profit or loss, the fair value at the date of reclassification becomes the new gross Book value. The cumulated profits and losses recognised in the OCI reserve are reclassified to the income statement at the date of reclassification.

## Recognition criteria

The initial recognition of financial assets takes place at the settlement date if settled with the time intervals set by market practices (regular way), otherwise at the trade date. In the event of recognising financial assets at the settlement date, the profits and losses recorded between the trade date and the settlement date are recognised in the equity. Upon initial recognition, the financial assets are recognised at fair value; it is represented, unless otherwise indicated, by the amount paid for executing the transaction, including the transaction costs or income directly attributable to the same instrument.

## Measurement criteria

Following initial recognition, the debt securities, loans and receivables classified in this item continue to be measured at fair value. For the aforementioned financial assets the following are recognised:

- in the income statement, the interest calculated with the effective interest rate method, which considers the depreciation of both the transaction costs and the differential between the cost and the repayment value;
- in equity, in a specific reserve, changes in fair value (net of tax) until the asset is derecognised. When the instrument is fully or partially disposed, the cumulated profit or loss in the OCI reserve are booked to the Income Statement (so-called recycling).

Equities classified under this item also continue to be measured at fair value after initial recognition. In this case, however, unlike in the case of debt securities, loans and receivables, the cumulated profit or loss included in the OCI reserve must never be reversed to the income statement (in this case there will be no recycling). In fact, in case of transfer, the OCI reserve may be transferred to a specific available equity reserve. For these equities, only the component relating to dividends received is recorded in the income statement.

For further details on how fair value is determined for financial assets, please refer to paragraph "A.4 - Information on fair value" of this part A.

It should also be noted that "Financial assets measured at fair value through other comprehensive income", both in the form of debt securities, loans and receivables, are subject to impairment in accordance with IFRS 9 in the same way as "Financial assets measured at amortised cost". Therefore, for the aforementioned instruments, a value adjustment to cover expected losses will be recognised in the income statement. The estimate of the expected loss using the expected credit loss ("ECL") method is based on the allocation of each position to the three reference stages as explained in more detail in the paragraph "Impairment of financial assets".

The equity instruments are not subject to the impairment process.

## Derecognition criteria

The financial assets measured at fair value through other comprehensive income are derecognised when the contractual rights on the cash flows deriving from the same expire or when the financial asset is sold substantially transferring all the associated risks and rewards.

When it is not possible to ascertain the substantial transfer of the risks and rewards, the financial assets are derecognised from the financial statements unless control of said assets has been maintained. Conversely, if control is maintained, even only partial, it is necessary to retain the assets in the financial statements to the extent of the continuing involvement, measured by the exposure to changes in value of the assets transferred and the changes in their cash flows.

The securities delivered as part of a transaction which contractually envisages their repurchase are not derecognised from the financial statements.

## Criteria for the recognition of the income components

Interest income on debt securities, loans and receivables - calculated on the basis of the effective interest rate - is recognised in the income statement on an accruals basis. For these instruments, the effects of impairment and any changes in exchange rates are also recognised in the income statement, while other gains or losses deriving from changes in fair value are recognised in a specific equity reserve. At the moment of full or partial disposal, the cumulated profit or loss in the valuation reserve are reversed, wholly or partly to the income statement (recycling).

With reference to equity instruments, the only component that is recognised in the income statement is dividends. The latter are recognised in the income statement only when (par. 5.7.1A of IFRS 9):

- the right of the entity to receive the dividend payment arises;
- it is likely that the economic benefits from the dividend will flow to the entity; and
- the amount of the dividend may be reliably estimated.

Normally the aforementioned conditions occur at the time of collection of the dividend following the shareholders' resolution approving the financial statements and distribution of the result for the year by the investee company.

In the case of equities, changes in fair value are recognised as a contra-entry to equity and must not be subsequently transferred to the income statement even if they are realised (no recycling).

## 3 - Financial assets measured at amortised cost

### Classification criteria

Financial assets measured at amortised cost include debt securities, loans and receivables that jointly meet the following conditions:

- the business model associated to financial assets aims at collecting the cash flows envisaged contractually (Hold To Collect business model);
- the SPPI Test is passed as the contractual terms only provide for repayments of principal and interest payments on the amount of principal to be repaid.

Therefore, in the presence of the aforementioned conditions, the Group recognises in this item:

- loans to banks (current accounts, security deposits, debt securities, etc.). This includes operating receivables related to the provision of financial activities and services as defined by the TUB and the TUF (e.g. distribution of financial products). Also included are loans to Central Banks (e.g. compulsory reserve), other than deposits on demand included in the consolidated balance sheet item 10. Cash and cash equivalents;
- loans to customers (mortgages, finance lease transactions, factoring transactions, debt securities, etc.). Also included are loans to post offices and the Cassa Depositi e Prestiti, variation margins with compensation bodies for transactions on derivative contracts and operating receivables related to the provision of financial activities and services as defined by the TUB and the TUF (e.g. servicing activities).

The reclassification of a financial asset to a different accounting category is permitted only in the event of a change in the business model. Exceptions to this rule are equities for which no reclassification is permitted. More specifically, changes in business model - which in any case should very rarely happen - must be decided by senior management as a result of external or internal changes, must be relevant to the Group's operations and must be demonstrable to external parties. A change in business model could, for example, occur in the case of the acquisition, termination or divestment of a business line or branch of business. In the

rare cases of changes to the business model, financial assets measured at amortised cost may be reclassified to financial assets measured at fair value through other comprehensive income or to financial assets measured at fair value through profit or loss.

The reclassification is applied prospectively from the date of reclassification, which, in fact, coincides with the first day of the accounting period following the change in business model that led to the reclassification of the financial assets.

In the event of reclassification from this category to the fair value category through other comprehensive income, any differences between the previous amortised cost and the fair value at the date of reclassification are recognised in the OCI reserve. The effective interest rate and the valuation of expected losses are not restated following the reclassification.

If, on the other hand, the category in question is reclassified to the category of financial assets measured at fair value through profit or loss, any difference between the previous amortised cost and the fair value at the date of reclassification is recognised in the income statement.

## Recognition criteria

Financial assets are first recognised on the disbursement date (in the case of loans or receivables) or on the settlement date (in the case of debt securities) based on the fair value of the financial instrument. The fair value is normally equal to the amount disbursed or the subscription price, including income and charges directly attributable to the individual instrument and determinable from the origin of the transaction, even when liquidated at a subsequent time. Excluded are the costs that, though having the above mentioned characteristics, are subject to repayment by the debtor counterparty or can be classified among the normal internal costs of an administrative nature.

In the case of assets for which the net amount of the loan disbursed or the price paid on subscription of the security does not correspond to the fair value of the asset, for example due to the application of an interest rate significantly lower than the market rate, initial recognition is made on the basis of the fair value determined using valuation techniques (e.g. discounting future cash flows at an appropriate market rate).

In some cases, the financial asset is considered impaired upon initial recognition (so-called purchased or originated credit-impaired financial assets), for example because the credit risk is very high and, in the case of acquisition, it is acquired with large discounts. In such cases, at the time of initial recognition, an adjusted effective interest rate is calculated for the receivable which includes, in the cash flow estimates, the expected losses calculated over the life of the receivable. The above rate will be used for the application of the amortised cost criterion and the related calculation of interest to be recognised in the income statement.

## Measurement criteria

After initial recognition, financial assets are measured at amortised cost using the effective interest rate method. Amortised cost is the amount at which the financial asset is measured on initial recognition less repayments of principal, plus or minus the cumulated amortisation, according to the effective interest criterion, of any difference between that initial amount and the amount at maturity and, for financial assets, adjusted for any provision to cover losses. The effective interest rate is identified by calculating the rate that equals the current value of the future flows of the asset, for principal and interest, to the disbursed amount including the costs/income attributable to said financial asset.

The exceptions to the application of the amortised cost method concern short-term assets, assets that do not have a defined maturity date and receivables subject to revocation. For the above cases, the application of the amortised cost criterion is considered not significant and the valuation is maintained at cost.

It should also be noted that “financial assets measured at amortised cost”, both in the form of debt securities and loans and receivables, are subject to impairment in accordance with IFRS 9. Therefore, for the aforementioned instruments, a value adjustment to cover expected losses will be recognised in the income statement. The estimate of the expected loss using the expected

credit loss ("ECL") method is based on the allocation of each position to the three reference stages as explained in more detail in the paragraph "Impairment of financial assets".

In such cases, for the purpose of calculating amortised cost, the entity is required to include in its cash flow estimates, the expected losses on initial receivables when calculating the credit-adjusted effective interest rate for financial assets that are considered purchased or originated credit-impaired financial assets on initial recognition (IFRS 9 para. B5.4.7).

## Derecognition criteria

The financial assets measured at amortised cost are derecognised when the contractual rights on the cash flows deriving from the same expire or when the financial asset is sold by substantially transferring all the risks and rewards connected to it.

When it is not possible to ascertain the substantial transfer of the risks and rewards, the financial assets are derecognised from the financial statements unless control of said assets has been maintained. Conversely, if control is maintained, even only partial, it is necessary to retain the assets in the financial statements to the extent of the continuing involvement, measured by the exposure to changes in value of the assets transferred and the changes in their cash flows.

The securities delivered as part of a transaction which contractually envisages their repurchase are not derecognised from the financial statements.

If the contractual cash flows of a financial asset are subject to renegotiation or, in any case, to an amendment, in accordance with IFRS 9, it is necessary to assess whether or not these amendments have the characteristics to determine the derecognition of the financial asset. More specifically, contractual changes lead to the derecognition of the financial asset and the recognition of a new one when they are considered substantial. In order to assess the substantiality of the change, a qualitative analysis of the reasons why the changes were made is necessary. In regards to this, we wish to distinguish between:

- renegotiations made for commercial purposes with performing customers for reasons other than the economic and financial difficulties of the debtor. These refer to renegotiations which are granted at market conditions, in order to avoid losing customers in cases where they require the cost of the loan to be adjusted to the conditions applied by other banking institutions. These types of contractual changes are considered substantial as they are aimed at avoiding a decrease in future revenues that would occur if the customer decides to turn to another operator. They entail the recognition in the income statement of any differences between the Book value of the derecognised financial asset and the Book value of the newly recognised asset;
- renegotiations due to financial difficulties of the counterparty: this scenario includes concessions made to counterparties in financial difficulty (forbearance measures) that aim to maximise the repayment of the original loan by the customer and thus avoid or contain any future losses, by granting contractual conditions that are potentially more favourable to the counterparty. In these cases, as a rule, the change is closely related to the debtor's inability to repay the cash flows originally established and, therefore, in the absence of other factors, this indicates that there was in substance no extinction of the original cash flows such as to lead to the derecognition of the asset. As a result, the aforementioned renegotiations or contractual amendments qualify as non-substantial. Therefore, they do not generate the derecognition of the financial asset and, according to paragraph 5.4.3 of IFRS 9, involve the recognition in the income statement of the difference between the pre-amendment book value and the value of the financial asset recalculated by discounting the renegotiated or modified cash flows at the original effective interest rate.

In order to assess the substantiality of the contractual amendment, in addition to understanding the reasons underlying the amendment itself, it is necessary to assess the possible presence of elements that alter the original nature of the contract because they introduce new elements of risk or have a significant impact on the original contractual flows of the asset so as to lead to its derecognition and the consequent recognition of a new financial asset. This includes, for example, the introduction of new contractual clauses which change the reference currency of the contract, which allow the credit to be converted/replaced into equity instruments of the debtor or which lead to the failure of the SPPI Test.

## Criteria for the recognition of the income components

Interest on loans to banks and customers is classified under consolidated income statement item 10. Interest income and similar revenues and is recorded on an accrual basis, based on the effective interest rate, i.e. applying the latter to the gross book value of the financial asset, except for:

- Purchased or originated credit-impaired financial assets. As noted above, for these financial assets, the effective interest rate adjusted for the receivable at the amortised cost of the financial asset from initial recognition is applied;
- financial assets that are not purchased or originated credit-impaired financial assets but have become impaired financial assets in a second phase. For these financial assets, the effective interest rate is applied to the amortised cost of the financial asset in subsequent years.

If there is an improvement in the credit risk of the financial instrument, as a result of which the financial asset is no longer impaired, and the improvement can be objectively linked to an event occurring after the application of the requirements in point 2 of the above list, interest income shall be calculated in subsequent years by applying the effective interest rate to the gross book value.

It should be noted that the Group applies the criterion referred to in point 2 of the above list only to impaired assets measured using a specific analytical method. Therefore, stage 3 financial assets valued on a flat-rate analytical basis, for which interest is calculated on the gross value of the exposure, are excluded.

Adjustments and write-backs are recorded at each reporting date in the consolidated income statement under item 130. Net value adjustments/write-backs due to credit risk. Profits and losses resulting from the sale of receivables are recorded in the consolidated income statement under item 100. Profit/loss from disposal/repurchase.

The positive income components represented by the interest income and similar revenues relating to securities are entered on an accrual basis, based on the effective interest rate, in the income statement items relating to interest.

Profit and loss relating to securities are recognised in the consolidated income statement under item 100. Profit/loss from disposal/repurchase at the time the assets are sold.

Any impairment of securities is recognised in the consolidated income statement under item 130. Net value adjustments/write-backs due to credit risk. If the reasons that led to the evidence of the decline in value are removed, the write-back is included with recognition in the income statement in the same item.

## 4 - Hedging transactions

With regard to hedging transactions (hedge accounting), the Group avails itself of the option, provided by the introduction of IFRS 9, to continue to apply IAS 39 in full with regard to both specific hedges and macro hedges.

### Classification criteria

This item includes derivative contracts designated as effective hedging instruments. In this regard, hedging transactions are designed to neutralise any losses, that may be incurred on a specific item or group of items, linked to a specific risk should the aforementioned risk actually occur.

The types of hedging provided for by IAS 39 are:

- fair value hedging, aimed at hedging against the exposure to the change in fair value of a financial statement entry (asset or liability) attributable to a particular risk. The objective of macro fair value hedges is to reduce fluctuations in fair value, attributable to interest rate risk, by a monetary amount arising from a portfolio of financial assets or liabilities;

- cash flow hedge, aimed at hedging against the exposure to the change in future cash flows attributable to a particular risk related to a highly probable present or future financial statement entry;
- hedging instruments of a net investment in a foreign company for which the assets were or are managed in a non-euro country or currency.

Only instruments involving a counterparty outside the Cassa Centrale Group may be designated as hedging instruments.

## Recognition criteria

The hedging derivative financial instruments are initially entered at fair value and classified in the balance sheet asset or liability item, depending on whether, as at the end of the reporting period, they show a positive or negative fair value.

The hedging transaction is attributable to a strategy predefined by risk management and must be consistent with the adopted risk management policies; it is designated as a hedge if there is formalised documentation of the relationship between the hedged instrument and the hedging instrument, including high initial and prospective effectiveness throughout its life-cycle.

The effectiveness of the hedge depends on the extent to which the changes in fair value of the hedged instrument or the related expected cash flows are offset by those of the hedging instrument. Thus the effectiveness is measured by comparison between these changes.

The hedging is assumed as highly effective when the expected and effective changes in fair value or the cash flows of the hedging financial instrument neutralise almost completely the changes in the hedged element, within the limits set by the interval 80%-125%.

The assessment of the effectiveness is performed at each year-end and interim period using:

- perspective tests, which justify the application of the hedge accounting, since they show its expected effectiveness;
- retrospective tests, which show the level of effectiveness of the hedging reached in the period they refer to.

If the checks do not confirm that the hedging is highly effective, the accounting of the hedging transactions, according to the above, is interrupted and the hedging derivative contract is reclassified among the trading instruments, while the financial instrument subject to hedging goes back to being measured according to the criterion of the original pertinence class and, in case of cash flow hedge, any reserve is reclassified in the income statement along the residual duration of the instrument.

The hedging links also cease when the derivative expires or is sold or exercised and the hedged element is sold or expires or is repaid.

## Measurement criteria

After initial recognition, hedging derivatives are measured at fair value. The calculation of the fair value of the derivatives is based on the prices inferred from regulated markets or supplied by operators, on option measurement models or future cash flow discounting models.

For further details on how fair value is determined, please refer to paragraph "A.4 - Information on fair value" of this part A.

## Derecognition criteria

The hedging derivatives are derecognised when the right to receive the cash flows from the asset/liability has expired, or where the derivative is sold, or when the conditions for continuing to book the financial instrument under the hedging derivatives no longer apply.

## Criteria for the recognition of the income components

### Fair value hedge

In the case of a fair value hedge, the change in the fair value of the hedged item is offset by the change in the fair value of the hedging instrument. This offsetting actually takes place through the recognition in the income statement of changes in value, referring both to the hedged item and the hedging instrument. Any difference represents the ineffectiveness of the hedge and is reflected in the income statement in terms of net effect. In the case of macro fair value hedges, changes in fair value with reference to the hedged risk of the hedged assets and liabilities are recognised in the balance sheet, respectively, in the consolidated financial statements item 60. Fair value change of financial assets in hedged portfolios or item 50. Adjustment of the financial liabilities subject to macro-hedging.

If the hedging relationship no longer satisfies the conditions for the application of hedge accounting and the hedging relationship is revoked, the difference between the carrying amount of the hedged element at the time when the hedge ceases and that which would have been its carrying amount if the hedge had never existed, is amortised in the income statement along the residual lifespan of the hedged element based on the effective rate of return in case of instruments entered at amortised cost. In the event that it is excessively costly to recalculate the internal rate of return, it is considered acceptable to amortise the delta fair value relating to the hedged risk over the residual life of the instrument in a linear manner or in relation to the residual portions of capital.

If this difference refers to non-interest bearing financial instruments, it is recorded immediately in the income statement. If the hedged element is sold or repaid, the portion of fair value not yet amortised is recognised immediately in the income statement.

### Cash flow hedges and hedging instruments of a net investment in a foreign currency

In the case of cash flow hedges, changes in the fair value of the derivative are recognised, limited to the effective portion of the hedge, in an equity reserve. The above changes are recognised in the income statement only when, with reference to the hedged item, there is a change in the cash flows to be offset or if the hedge is ineffective.

When the hedging relationship no longer meets the conditions for the application of hedge accounting, the relationship is terminated and all losses and gains recognised in the equity reserve up to that date remain suspended within it and reversed to the income statement when the flows relating to the risk originally hedged occur.

## 5 – Equity investments

### Classification criteria

This item includes interests held in associates and jointly controlled companies.

The following definitions in particular apply:

- associate: equity investments in companies for which, despite the conditions of control not being satisfied, the Group, directly or indirectly, is able to exercise a significant influence as it has the power to participate in determining the financial and management policies of the investing company. Such influence is presumed (relative presumption) to exist for companies in which the Group owns at least 20.00% of the voting rights of the investee company;
- jointly controlled company (joint venture): an equity interest in a company that is achieved through a contractual agreement that collectively grants all parties or a group of parties control of the agreement.



## Recognition criteria

Equity investments are initially entered at cost, including the directly attributable ancillary charges.

## Measurement criteria

Investments in associates and investments in jointly controlled companies are valued using the equity method. This means that, after initial recognition, the Book value is subsequently increased or decreased to record the Group's share of the profits and losses of the investee companies realised after the acquisition date, as a contra-entry to consolidated income statement item 250. Profit (loss) on equity investments.

If there is objective evidence of impairment, an estimate is made of the recoverable amount of the same investment, considering the current value of the future cash flows the same may generate, including the final disposal value of the investment. If the recoverable amount of the asset is lower than its Book value, the impairment loss is recognised in the income statement under item 250. Profit (loss) on equity investments in the consolidated financial statements.

## Derecognition criteria

Equity investments are derecognised when the right to receive the cash flows from the asset has expired, or where the equity investment is sold by substantially transferring all the risks and benefits connected to it.

## Criteria for the recognition of the income components

Dividends from investee companies are recorded under the consolidated income statement item 70. Dividend and similar income. The latter are recognised in the income statement only when (par. 5.7.1A of IFRS 9):

- the right of the entity to receive the dividend payment arises;
- it is likely that the economic benefits from the dividend will flow to the entity;
- the amount of the dividend may be reliably estimated.

Normally the aforementioned conditions occur upon the shareholders' resolution approving the financial statements and distribution of the result for the year by the investee company.

In the Consolidated Financial Statements, dividends received are deducted from the Book value of the investee company.

Any value adjustments/write-backs connected to the valuation of the equity investments as well as profits or losses deriving from the disposal are recognised under item 250. Profit (loss) on equity investments in the consolidated financial statements.

## 6 - Tangible assets

### Classification criteria

This item mainly includes land, properties for business use (IAS 16) and properties held for investment purposes (IAS 40), the plants, vehicles, furniture, furnishings and equipment of any type for long-lasting use.

Property for business use is defined as those tangible assets that are functional to the pursuit of the corporate purpose (including those held for use in the provision of services or for administrative purposes). On the other hand, property held for investment purposes includes property held for the purpose of receiving rental fees and/or for the appreciation of the invested capital.

The item also includes tangible assets classified under IAS 2 Inventories, which refer both to assets arising from the enforcement of guarantees or the purchase at auction that the company intends to sell in the near future, without carrying out major renovation work, and which do not qualify for classification in the previous categories, and to the real estate portfolio including buildable areas of land, properties under construction, completed properties for sale and real estate development initiatives, held with a view to disposal.

Included are rights of use acquired through lease and relating to the use of a tangible asset (for lessees), assets under operating leases (for lessors), and improvements and incremental expenses incurred on third party assets, provided they relate to identifiable and separable tangible assets.

## Recognition criteria

The tangible assets are initially entered at purchase or construction cost, including any ancillary charges directly attributable to the purchase and commissioning of the asset.

The unscheduled maintenance expenses and the costs of an increasing nature that imply increased future benefits being generated by the asset, if these can be identified and separated, are attributed to the assets they refer to and depreciated in relation to the residual possibility of using the same. If these improvements cannot be identified and separated, they are recorded in the consolidated financial statements under 'Other Assets' and subsequently depreciated based on the length of the contracts they refer to for the third-party assets, or along the residual life of the asset, if owned.

The expenses for repairs, maintenance or other actions to ensure the ordinary operation of the assets are instead recognised in the income statement of the year when they are incurred.

According to IFRS 16, leases are accounted for on the basis of the right of use model for which, at the initial date, the lessee has a financial obligation to make payments due to the lessor to offset its right to use the underlying asset during the lease term. When the asset is made available to the lessee for use (start date), the lessee recognises both the liability and the asset consisting of the right of use.

## Measurement criteria

After initial recognition, the tangible assets, including non-instrumental properties, notwithstanding the specifications below, are entered in the accounts at cost, net of accumulated depreciation and any write-downs for the reductions in value, in compliance with the "cost model".

Tangible assets are systematically depreciated each year based on their useful life by adopting the straight line method as the depreciation criterion. The following are not subject to depreciation:

- land, whether purchased individually or incorporated in the value of the buildings, since considered to have an undefined useful life. If their value is incorporated in the value of the building, assets which are separate from the building are only the 'free-standing' property assets; the subdivision between the value of the land and a value of the building is based on the appraisal of independent appraisers;
- works of art, the useful life of which may not be estimated, also since their value normally increases over time;
- real estate investments measured at fair value in compliance with accounting standard IAS 40;
- inventories of tangible assets, in accordance with IAS 2;
- tangible assets classified as held for disposal in accordance with IFRS 5.

The depreciation process starts when the asset is available for use. For the assets acquired during the year, the depreciation is calculated on a daily basis starting from the date of using the asset.

A write-down for value impairment is recorded for an amount corresponding to the excess in the book value compared to the recoverable amount. The recoverable amount of an asset is equal to the higher of the fair value, net of any sales costs, and the related value of using the asset, meant as the current value of the future flows originating from the asset. Any adjustments are recognised in the income statement.

If the reasons leading to recording the loss cease to apply, a write-back is accounted for, which may not exceed the value that the asset would have had, net of depreciation calculated in the absence of previous impairment losses.

Tangible assets recognised in accordance with IAS 2 are valued at the lower of cost and net realisable value. Any adjustments are recognised in the income statement.

With reference to the asset consisting of the right of use, accounted for in accordance with IFRS 16, it is measured using the cost model in accordance with IAS 16 Property, plant and equipment; in this case the asset is subsequently depreciated and subject to impairment testing if indicators of impairment emerge.

### **Derecognition criteria**

Tangible assets are eliminated from the balance sheet at the time of disposal or when they are permanently withdrawn from use and, as a consequence, no future economic benefits are expected which derive from their sale or use.

Capital gains and losses deriving from the release or disposal of the tangible assets are determined as the difference between the net sale payment and the Book value of the asset; they are recorded in the income statement at the same date when they are eliminated from the accounts.

### **Criteria for the recognition of the income components**

Depreciation, value adjustments and write-backs of tangible assets are recorded in the income statement, in consolidated financial statements item 210. Net value adjustments/write-backs to tangible assets.

In the first year the depreciation is recorded proportionally to the effective period of using the asset.

The assets subject to depreciation are adjusted for possible impairment losses each time events or changes in situations indicate that the Book value might not be recoverable. These impairment losses are recognised in the income statement, as are any reversals to be recognised if the reasons for the impairment no longer apply.

In the consolidated income statement item 280. Profit (loss) from disposal of investments, the positive or negative balance between the profits and losses on investments is recognised.

## **7 - Intangible assets**

### **Classification criteria**

Accounting standard IAS 38 defines intangible assets as non-monetary assets without physical substance owned for use in a multi-year or undefined period, which meet the following characteristics:

- identifiability;
- the company holds the control;
- it is probable that the expected future economic benefits attributable to the asset will flow into the company;
- the cost of the asset may be reliably measured.

In the absence of one of these characteristics, the expense to acquire or generate the same internally is recorded as a cost in the year when it was incurred.

Intangible assets include, in particular, the application software with multi-year use and the other identifiable intangible assets that originate from legal or contractual rights.

Intangible assets also include goodwill, which represents the positive difference between the purchase cost and the fair value of the assets and liabilities of the acquired company.

## Recognition criteria

Intangible assets are entered at cost, adjusted for any ancillary costs incurred to arrange the use of the asset, only if it is probable that the future economic benefits attributable to the asset will be realised and if the cost of the same asset may be determined reliably. Otherwise the cost of the tangible asset is recorded in the income statement in the year when it was incurred.

## Measurement criteria

After initial recognition, intangible assets with a “definite” useful life are recognised at cost, net of the accumulated amortisation and impairment losses.

The amortisation process starts when the asset is available for use, or when it is in the place and conditions suitable to be able to work in the set manner.

Amortisation is carried out with the straight line method, in a way to reflect the multi-year use of the assets based on the estimated useful life. In the first year the depreciation is recorded proportionally to the effective period of using the asset. Amortisation ends from the date when the asset is eliminated from the accounts.

At each year-end, given the presence of evidence of impairment losses, an estimate is made of the recoverable amount of the asset. The amount of the impairment, recorded in the income statement, is equal to the difference between the Book value of the asset and its recoverable amount.

## Derecognition criteria

Intangible assets are eliminated from the balance sheet at the time of their disposal or when future economic benefits are not expected. Capital gains and losses from the release or disposal of an intangible asset are calculated as the difference between the net sale payment and the Book value of the asset and entered in the income statement.

## Criteria for the recognition of the income components

In the first year the depreciation is recorded proportionally to the effective period of using the asset.

In the consolidated income statement item 220. Net value adjustments/write-backs to intangible assets, the positive or negative balance between the value adjustments, amortisation and write-backs relating to the intangible assets is indicated. In the consolidated income statement item 280. Profit (Loss) from disposal of investments, the positive or negative balance between the profits and losses on investments is recognised.

## 8 – Non-current assets and groups of assets held for disposal

### Classification criteria

This item includes the non-current assets held for sale and the associated groups of assets and liabilities held for disposal, according to the provisions of IFRS 5.

More specifically, assets and groups of assets are classified in this item whose Book value will be mainly recovered with a sale rather than their continuous use.

For the recovery of a non-current asset or a group held for disposal through a sale to materialise, two conditions must be met:

- the asset must be available for immediate sale in its current condition, subject to conditions, which are usual and customary, for the sale of such assets (or groups held for disposal);
- the sale of the non-current asset (or group held for disposal) must be highly probable.

Since the sale is highly probable, Management at a suitable level must be committed to an asset disposal programme, and activities must be started to identify a purchaser and complete the programme. In addition, the asset must be actively exchanged in the market and put up for sale, at a reasonable price compared to its current fair value. The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification and actions required to complete the sale plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets and groups of assets held for disposal, as well as discontinued operations and related liabilities are shown under specific items of the consolidated assets 120. Non-current assets and groups of assets held for disposal and consolidated liabilities 70. Liabilities associated with assets held for disposal.

### Recognition criteria

The non-current assets and groups of assets held for disposal are initially recognised at the lower between the Book value and the fair value net of costs to sell. With the exception of certain types of assets (e.g. financial assets falling within the scope of IFRS 9), IFRS 5 specifically provides that the measurement criteria of the relevant accounting standard must be applied.

### Measurement criteria

In the measurements subsequent to initial recognition, non-current assets and groups of non-current assets held for disposal continue to be valued at the lower of their Book value and their fair value net of costs to sell, with the exception of certain types of assets (e.g. financial assets falling within the scope of IFRS 9) for which IFRS 5 specifically provides that the measurement criteria of the relevant accounting standard must be applied.

In cases where assets held for disposal are depreciable, the depreciation process is interrupted from the time when classification as non-current assets held for disposal takes place.

### Derecognition criteria

The non-current assets and groups of assets held for disposal are eliminated from the balance sheet at the time of disposal.

If an asset (or group held for disposal) classified as held for sale loses the criteria for inclusion in accordance with accounting standard IFRS 5, the asset (or group held for disposal) must no longer be classified as held for sale.

It is necessary to assess a non-current asset that ceases to be classified as held for sale (or ceases to be part of a group held for disposal and classified as held for sale) at the lower between:

- the accounting value before the asset (or group held for disposal) was classified as held for sale, adjusted for all the amortisation, write-downs or write-backs that would have otherwise been recorded if the asset (or group held for disposal) had not been classified as held for sale;
- its recoverable amount at the date of the subsequent decision to not sell.

The items include the current and deferred tax assets and current and deferred tax liabilities recognised in application of IAS 12.

Income taxes relating to discontinued operations are calculated in compliance with current taxation regulations and are recognised in the income statement on an accrual basis, in line with the recognition in the accounts of the costs and revenues that generated them, except for those relating to the entries charged or credited directly in the equity, for which the recognition of the related taxation takes place, for consistency, in the equity.

## Criteria for the recognition of the income components

Income and expenses (net of the tax effect) attributable to groups of assets held for disposal or recognised as such during the year are shown in the relevant consolidated income statement item 320. Profit (loss) after tax from discontinued operations.

## 9 - Current and deferred taxes

### Current taxes

Current tax assets and liabilities are recorded at the value due or recoverable against the tax profit (loss) by applying the rates and the current taxation regulations. Current taxes that are entirely or partially unpaid at the reference date are posted under "Current tax liabilities" of the consolidated balance sheet.

In the event of overpayment, which gave rise to a recoverable receivable, this is accounted for among the "Current tax assets" of the consolidated balance sheet.

In accordance with IAS 12, the Group compensates current tax assets and liabilities if, and only if, it:

- has an enforceable right to offset the amounts recognised;
- intends to settle for the net residual, or realise the asset and simultaneously settle the liability.

### Deferred taxes

Deferred tax assets and liabilities are booked by using the balance sheet liability method, taking into account the temporary differences between the carrying amount of an asset or a liability and its value recognised for tax purposes. They are calculated using the applicable tax rates according to current laws, in the year when the deferred tax asset will be realised or the deferred tax liability will be settled.

Tax assets are recorded only if it is deemed probable that in the future a taxable income will be realised, against which this asset may be used.

In particular, tax regulations may lead to differences between taxable income and statutory income that, if temporary, only cause a temporal mismatch that implies the advance or deferment of the time of taxation compared to the period of accrual, thus determining a difference between the carrying amount of an asset or a liability in the balance sheet and its value recog-

nised for tax purposes. These differences are distinguished between 'deductible temporary differences' and 'taxable temporary differences'.

## Deferred tax assets

Deductible temporary differences indicate a future reduction in taxation, against a prepayment of tax compared to the economic-statutory accrual. They generate deferred tax assets since they will determine a lower tax burden in the future, on the condition that in the following years, taxable profits are realised in a sufficient measure to cover the realisation of the taxes paid in advance.

Deferred tax assets are recorded for all the deductible temporary differences if it is probable that a taxable income will be realised against which the deductible temporary differences may be used. However the probability of recovering advance taxes relative to goodwill, other intangible assets and adjustments to receivables is to be considered automatically fulfilled pursuant to the provisions of the law that provide for their transformation into a tax credit in the event of a statutory and/or tax loss.

The transformation enters into effect from the date of the approval of the shareholders' meeting of the separate financial statements of the entities in which the loss is recognised.

The origin of the difference between the higher fiscal income and the statutory one is mainly due to negative income components fiscally deductible in years that are subsequent to those of recognition in the financial statements.

## Deferred tax liabilities

Taxable temporary differences indicate a future increase in taxation and consequently generate deferred tax liabilities, since these differences give rise to taxable amounts in the following years to those when they are attributed to the statutory income statement, determining a deferment of the taxation compared to the economic-statutory accrual.

Deferred tax liabilities are recorded for all the taxable temporary differences with the exception of the deferred tax reserves since transactions that determine the taxation are not envisaged.

The origin of the difference between the lower fiscal income and the statutory one is due to:

- positive income components taxable in years after those when they were entered in the accounts;
- deductible negative income components in years prior to the one when they will be entered in the accounts according to statutory criteria.

Assets and liabilities entered for advance and deferred taxes are systematically measured to take into account any amendments taking place in the regulations or in the rates.

Advance taxes and deferred taxes are accounted for at capital level with open balances and without offsetting and are booked in consolidated balance sheet item 110. Tax assets, sub-item "b) deferred" and 60. Tax liabilities, sub-item "b) deferred".

If the deferred tax assets and liabilities refer to components which concerned the income statement, the contra-entry is represented by income tax. In case the advance and deferred taxes concern transactions which directly regard the equity without influencing the income statement (such as the valuation of financial instruments measured at fair value through other comprehensive income), they are recorded as a contra-entry to equity, affecting the specific reserve when applicable.

## Global Minimum Tax (Legislative Decree no. 209 of 27 December 2023)

In implementation of the principles laid down in Law no. 111 of 9 August 2023, Legislative Decree no. 209 of 27 December 2023 transposed into Italian law Council Directive (EU) 2022/2523 of 14 December 2022, intended to ensure a global

minimum level of taxation (so-called “Global Minimum Tax”, or “GMT”) for multinational enterprise groups and large-scale domestic groups in the Union.

Title II of the decree introduced global minimum taxation aligned with the so-called GloBE Rules devised internationally by the OECD in order to combat harmful tax competition between States.

In principle, the legislation in question applies from financial years beginning on or after 1 January 2024, to national and multinational groups with revenues recorded in the consolidated financial statements of the parent company exceeding EUR 750 million in at least two of the four financial years prior to the one in question.

The Global Minimum Tax aims to ensure effective taxation of at least 15% for each jurisdiction where the aforesaid groups are located, through the application of a top-up tax in cases where the so-called “Effective Tax Rate” in a given jurisdiction, following the adjustments laid down in the rules under the aforementioned Title II and the respective implementing decrees, is lower than the aforesaid minimum tax rate.

In 2024, the legislation in question was supplemented by Ministerial Decree of 20 May 2024, concerning the governance of simplified transitional regimes ( “Transitional Safe Harbours” or “TSH”), as well as by Ministerial Decree of 1 July 2024 on the so-called “domestic minimum tax”.

With specific reference to the Cassa Centrale Group, it should be noted that the Directive of the Ministry of Economy and Finance issued on 17 February 2025 under “Guidelines on global minimum tax, introduced with Legislative Decree no. 209 of 27 December 2023 – absence of application requirements for cooperative banking groups”, clarified that affiliated banks participating in cooperative banking groups by virtue of a “cohesion contract” reflected in the consolidated financial statements, do not fall under the scope of application of Global Minimum Tax since the Parent Company does not hold a controlling equity interest, since such equity interest is a necessary requirement for the identification of a Group as well as an essential pre-condition for the applicability and function of GMT.

Limiting the legislative scope to the industrial group formed of the Parent Company and its subsidiaries, as defined on the basis of the controlling equity interest mentioned and without taking account of the cohesion contract, with effect from 1 January 2024, as a Multinational Group that exceeded the revenue threshold of EUR 750 million for two of the four previous financial years, the Group falls under the scope of application of GMT and is therefore also potentially impacted by its jurisdiction in Luxembourg, where the subsidiary Neam operates.

On the basis of the analyses carried out, the exposure of the Cassa Centrale Banca Group, identified on the basis of the controlling equity interest, to the Pillar Two income tax in the two jurisdictions in which it operates (Italy and Luxembourg) at the closing date of the financial year is assessed to be nil, since, in both jurisdictions, the so-called Simplified ETR Test is passed, applied taking account of the OECD clarifications available to date.

Lastly, it should be noted that the Group is still monitoring the ongoing developments in legislation at global and domestic level, including in order to implement the necessary GMT management processes.

## 10 - Provisions for risks and charges

### Classification criteria

In compliance with the provisions of IAS 37, the provisions for risks and charges include the provisions relating to current (legal or implicit) obligations originating from a past event, for which the use of economic resources is probable to fulfil the same obligation, as long as a reliable estimate of the related amount can be made.



## Recognition criteria

Therefore, this item includes the following:

- provision for credit risk relative to commitments and financial guarantees given: the value of the total provisions for credit risk is recognised in respect of the commitments to disburse funds and financial guarantees given which are subject to the impairment rules of IFRS 9 (see paragraph 2.1, letter e); paragraph 5.5; appendix A), including therein the financial guarantees given and the commitments to disburse funds which are measured at the first-time recognition value, net of the total revenues booked in compliance with IFRS 15;
- provision for other commitments and guarantees given: the value of the total provisions in respect of other commitments and other guarantees given which are not subject to the impairment rules of IFRS 9 is recognised (see IFRS 9, paragraph 2.1, letters e) and g));
- provisions for post-employment benefits includes the provisions in respect of benefits provided to the employee after terminating the employment relationship in the form of defined contribution plans or defined benefit plans;
- other provisions for risks and charges: these include other provisions for risks and charges established in compliance with the provisions of the international accounting standards (e.g. personnel expenses, tax disputes).

## Measurement criteria

The amount recorded as allocation represents the best estimate possible of the charge requested to fulfil the existing obligation at the reference date.

Where the time element is significant, the provisions are discounted by using current market rates.

The allocated funds are periodically reviewed and adjusted, if necessary, to reflect the best current estimate. If, following the review, the charge becomes unlikely to be incurred, the provision is cancelled. With regard to provisions for employee benefits, please refer to paragraph "15.2 - Provision for severance indemnity and seniority bonuses" below.

## Derecognition criteria

If it is unlikely that the use of resources to produce economic benefits to fulfil the obligation will be necessary, the provision must be cancelled. A provision must be used only for those expenses for which it was originally entered.

## Criteria for the recognition of the income components

The provision is recognised in the income statement, in consolidated financial statements item 200. Net allocations to provisions for risks and expenses.

The item includes the positive or negative balance between the allocations and any re-attributions to the income statement of funds deemed redundant.

The net allocations also include the decreases in funds for the discounting effect as well as the corresponding increases due to the passing of time (accrual of the interest implicit in discounting).

## 11 - Financial liabilities measured at amortised cost

### Classification criteria

Financial liabilities measured at amortised cost include amounts due to banks and customers, whatever their technical form (deposits, current accounts, loans, leases), other than Financial liabilities held for trading and Financial liabilities designated at fair value.

This item also includes securities issued for funding purposes (e.g. certificates of deposit, bonds) measured at amortised cost. Securities that, as at the reference date, are expired but still not repaid are included.

### Recognition criteria

The initial recognition of these financial liabilities takes place upon receiving the sums collected or issuing the debt securities. The value at which they are entered corresponds to the related fair value, normally equal to the amount collected or the issue price, increased by any additional costs/income directly attributable to the individual funding or issue transaction and not repaid by the creditor counterparty. Internal costs of an administrative nature are excluded.

The fair value of the financial liabilities, possibly issued at different conditions from market conditions, is subject to a suitable estimate and the difference compared to the amount collected is, where appropriate, directly recognised in the income statement.

### Measurement criteria

Following initial recognition, carried out at fair value, on the date of signing of the contract, the financial liabilities are measured at the amortised cost, using the effective interest rate method.

Excluded are the short-term liabilities, where the time factor is negligible, which remain recorded at their collected value, and whose costs and income directly attributable to the transaction are entered in the relevant items of the income statement.

### Derecognition criteria

The financial liabilities are derecognised from the financial statements when settled or expired, or when securities issued by the Group are reacquired, with a consequent redefinition of the debt entered for debt securities in issue.

### Criteria for the recognition of the income components

The negative income components represented by the interest expense are entered on an accrual basis in the items in the income statement relating to interest.

Any difference between the value of repurchasing own securities and the corresponding Book value of the liability is entered in the income statement, under the consolidated financial statements item 100. Profit (loss) from disposal/repurchase of: c) Financial liabilities.

## 12 - Financial liabilities held for trading

### Classification criteria

Subject to recognition in this item are the financial liabilities, whatever their technical form (debt securities, loans, etc.) classified in the trading book.

The item includes, where present, the negative value of the trading derivative contracts. Derivatives connected to the fair value option are also included in this category (as defined in IFRS 9, section 4.2.2) which are operationally related to the assets and liabilities measured at fair value which on the reporting date have a negative fair value, except for derivatives which are designated as effective hedging instruments and recognised in a separate liability item in the balance sheet. If the fair value of a derivative subsequently becomes positive, it shall be recognised among financial assets measured at fair value through profit or loss.

### Recognition criteria

The derivative financial instruments are entered at the subscription date and measured at fair value through profit or loss.

### Measurement criteria

Subsequently to the initial recognition, the financial liabilities are measured at fair value through profit or loss.

For details on how fair value is determined, please refer to the following paragraph "A.4 - Information on fair value" of this part A.

### Derecognition criteria

Financial liabilities held for trading are derecognised from the financial statements when the contractual rights to the relevant cash flows expire or when the financial liability is transferred with the substantial transfer of all the risks and rewards deriving from its ownership.

### Criteria for the recognition of the income components

Profits and losses deriving from changes in fair value and/or from the disposal of financial liabilities held for trading are recognised in the income statement under item 80. Net result from trading.

## 13 - Financial liabilities designated at fair value

### Classification criteria

Classified in this item are those financial liabilities designated at fair value with valuation results entered in the income statement as a result of the exercise of the fair value option provided by IFRS 9, i.e. when:

- an inconsistency in the valuation or recognition is eliminated or significantly reduced (sometimes defined as an accounting mismatch), which would otherwise result from the measurement of assets or liabilities or the recognition of the associated profits and losses on a different basis;
- there is an implicit derivative;

- a group of financial liabilities or financial assets and liabilities is managed and its return is designated at fair value according to a documented risk management or investment strategy and the information relating to the group is provided internally on said basis to executives with strategic responsibilities.

## Recognition criteria

Financial liabilities designated at fair value are initially recognised at fair value on the issue date, which normally corresponds to the amount collected without considering the transaction costs or income directly attributable to the same instrument, which are instead attributed to the income statement.

## Measurement criteria

Liabilities are designated at fair value. The income components are reported according to the provisions of IFRS 9, as set out below:

- changes in fair value attributable to the change of its creditworthiness are stated in the appropriate equity reserve (Statement of consolidated comprehensive income);
- the remaining changes in fair value are recognised in the income statement, under consolidated financial statements item 110. Net result on other financial assets and liabilities measured at fair value through profit or loss.

For details on how fair value is determined, please refer to the following paragraph “A.4 - Information on fair value” of this part A.

## Derecognition criteria

The financial liabilities designated at fair value are derecognised from the financial statements when they have expired or are extinct.

Derecognition also takes place in case of repurchasing previously issued securities. The difference between the Book value of the liability and the amount paid to purchase is recorded in the income statement.

The re-placement on the market of own securities subsequently to their repurchase is considered as a new issue with entry of the new placement price, without effects on the income statement.

## Criteria for the recognition of the income components

The cost for interest on debt instruments is classified among the interest expense and similar charges of the consolidated income statement.

The income components relating to this financial statements item are reported according to the provisions of IFRS 9, as below:

- changes in fair value attributable to the change of its creditworthiness are stated in the appropriate equity reserve (Statement of consolidated comprehensive income);
- the remaining changes in fair value are recognised in the income statement, under consolidated financial statements item 110. Net result on other financial assets and liabilities measured at fair value through profit or loss.

## 14 - Foreign exchange transactions

### Classification criteria

Among the assets and liabilities in foreign currencies, in addition to those explicitly expressed in a currency other than the Euro, are also those to which financial indexing clauses apply, connected to the Euro exchange rate with a certain currency or a given basket of currencies.

For the purpose of the conversion method to be used, the assets and liabilities in foreign currencies are subdivided into monetary items (classified among the current items) and non-monetary items (classified among the non-current items).

The monetary elements consist of cash at hand and in the assets and liabilities to be received or paid, in cash amounts that are fixed or to be determined. In non-monetary elements, the right to receive or the obligation to deliver a cash amount that is fixed or to be determined is absent.

### Recognition criteria

Transactions in foreign currencies are recorded, at the time of initial recognition, in a currency account, by applying the exchange rate in force at the transaction date to the amount in a foreign currency.

### Measurement criteria

At the time of closing the financial statements or the interim period, the elements originally denominated in foreign currencies are valued as follows:

- the monetary items are converted at the exchange rate at year-end;
- the non-monetary items measured at the historical cost are converted at the exchange rate in force at the transaction date;
- the non-monetary items carried at fair value are converted at the spot exchange rate at year-end.

### Criteria for the recognition of the income components

The exchange rate differences found between the transaction date and the related payment date, on the monetary elements, are booked in the income statement in the year when they arise, together with those which derive from the conversion of monetary elements at different rates from the initial conversion rates or the conversion at the previous year-end.

When a profit or loss relating to a non-monetary element is recorded in the Equity, the exchange rate difference relating to this element is also recorded in the Equity.

When a profit or loss is recorded in the income statement, the related exchange rate difference is also recorded in the income statement.

## 15 - Other information

### 15.1 Sales and repurchase contracts (repos)

Securities sold and subject to a repurchase agreement are classified as committed financial instruments when the purchaser has the right to resell or re-commit the underlying asset by contract or agreement; the liability of the counterparty is included in the liabilities to other banks, other deposits or customer deposits.

The securities purchased in relation to a resale contract are accounted for as loans or advances to other banks or customers.

The difference between the sales price and the purchase price is booked as interest and recorded on an accrual basis along the lifespan of the transaction.

### 15.2 Provision for severance indemnity and seniority bonuses

Provision for severance indemnity is similar to a post-employment benefit of the defined benefit plan type the value of which IAS 19 requires to be determined using actuarial methodologies.

Consequently, the valuation at the end of the year is made on the basis of the benefits accrued using the projected unit credit method.

This method provides for a projection of future outflows based on historical, statistical and probability analysis as well as by virtue of adopting the appropriate basic demographic techniques.

It makes it possible to calculate the severance indemnity accrued on a certain date in actuarial terms, distributing the expense for all the years of expected residual permanence of the existing employees and no longer as an expense to be settled in the event that the company ceases its operations on the reference date.

The valuation of the employee severance indemnity is carried out by an independent actuary pursuant to the method indicated above.

Following the entry into effect of the supplementary pension reform, pursuant to Legislative Decree no. 252/2005, the portions of the provision for severance indemnity accrued to 31 December 2006 will remain in the company, while the portions that accrue from 1 January 2007 have been, at the option of the employee, applied to supplementary pension plans or the INPS fund.

The latter were therefore recognised in the income statement based on the contributions due in each year; the obligation to the supplementary fund or INPS has not been discounted, due to a maturity of less than 12 months.

Based on IAS 19, the severance indemnity paid to the Pension Fund Treasury (INPS) is considered as a defined contribution plan, as is the amount paid into the supplementary fund.

The portions accrued and paid into the supplementary pension funds are recognised in the consolidated income statement sub-item 190. a) Staff expenses.

These portions are configured as a defined contribution plan since the obligation of the company towards the employee ends with the payment of the accrued amounts. Therefore, for these cases, only the portion of the debt can be recorded under the liabilities (among 'Other liabilities') for payments still to be made to the INPS or the supplementary funds, on the reference date.

IAS 19 requires all actuarial gains and losses accrued on the reference date to be immediately recognised in the "Statement of consolidated comprehensive income".

The 'other long-term benefits' described by IAS 19 include the seniority bonuses to employees. These benefits must be valued, in compliance with IAS 19, with the same methodology used to determine the provision for severance indemnity, as these are compatible.

The liability for the seniority bonus is recorded under the provisions for risks and charges of the balance sheet.

The allocation, as the reattribution to the income statement of any excesses of the specific fund (due for example to changes to the actuarial assumptions) are recognised in the income statement among the "Personnel costs".

### 15.3 Recognition of revenues and costs

Revenues are recognised when control of the goods or services is transferred to the customer at an amount that represents the amount of the consideration to which the customer is deemed to be entitled.

Revenues are recorded through a process of analysis that involves the following steps:

- identification of the contract, defined as an agreement in which the parties have undertaken to fulfil their respective obligations;
- identification of the individual performance obligations contained in the contract;
- determination of the transaction price, i.e. the expected consideration for the transfer of the goods or services to the customer;
- allocation of the transaction price to each performance obligation, based on the sales prices of the individual obligation;
- recognition of revenues when (or as) the performance obligation is fulfilled by transferring the promised good or service to the customer.

That said, the recognition of revenues may occur:

- at a given time, when the entity meets its performance obligation by transferring the promised good or service to the customer;
- over a period of time, as the entity meets its performance obligation by transferring the promised good or service to the customer.

With reference to point b) above, a performance obligation is satisfied over a period of time if at least one of the following conditions is met:

- the customer controls the asset involved in the contract at the moment in which it is created or enhanced;
- the customer simultaneously receives or consumes the benefits provided by the entity's performance as the entity performs;
- the company's performance creates a personalised asset for the customer and the company has a payment right for the services completed at the date of transfer of the asset.

If none of the above criteria are met, then the revenue is recognised at a given moment.

The indicators of the transfer of control are:

- the obligation to pay;
- the legal title of the right to the consideration accrued;
- the physical possession of the asset;
- the transfer of risks and benefits related to ownership;
- the acceptance of the asset.

With regards to revenues realised over a period of time, the Group adopts a time-based accounting method. In relation to the above, the main approaches adopted by the Group are summarised below:

- the interest is recognised on a temporal basis, based on the contractual interest rate or the effective rate in the case of applying the amortised cost;
- the overdue interest, possibly set contractually, is booked in the income statement only at the time of its actual collection;
- the dividends are recorded in the income statement in the period in which their distribution is resolved;
- the fees and commissions for revenue from services are entered, based on the existence of contractual agreements, in the period when the same services were rendered.

The revenues from the sale of non-financial assets are recorded at the time of finalising the sale, unless most of the risks and benefits associated with the asset have been maintained.

The costs are booked to the income statement according to the accrual principle; the costs relating to obtaining and fulfilling of the contracts with the customer are recognised in the income statement in the periods in which the associated revenues are recognised.

## 15.4 Improvements to third-party assets

The restoration costs on third party properties are capitalised in consideration of the fact that, throughout the duration of the lease, the using company has the control of the goods and may gain future economic benefits from them. The aforementioned costs are classified among the 'Other assets' and are amortised for a period not exceeding the duration of the lease.



## 15.5 Methods of recognition of impairment losses

### Impairment of financial assets

Financial assets other than those measured at fair value through profit or loss, in accordance with IFRS 9, are subject to an assessment - to be carried out at the end of each reporting period - to verify whether there are any indicators that these assets may be impaired (known as impairment indicators).

If the above indicators exist, the financial assets in question are considered impaired (stage 3) and value adjustments equal to the expected losses over their entire residual life must be recorded against them.

For financial assets for which there are no impairment indicators (stage 1 and stage 2), it is necessary to verify whether there are indicators such that the credit risk of the individual transaction is significantly increased compared to the time of initial recognition and apply, consequently, the criteria underlying the IFRS 9 impairment model.

#### The IFRS 9 impairment model

The scope of application of the IFRS 9 impairment model adopted by the Group, on which the requirements for the calculation of allocations are based, includes financial instruments such as debt securities, loans, trade receivables, assets deriving from contracts and receivables originating from lease transactions, measured at amortised cost or fair value through other comprehensive income, as well as off-balance sheet exposures (financial guarantees and commitments to disburse funds).

The aforementioned impairment model is characterised by a forward looking approach and in given circumstances, may require the immediate recognition of all expected losses over the life of a loan. This estimate will also need to be continuously adjusted to take account of the credit risk of the counterparty. In order to prepare this estimate, the impairment model must not only consider past and present data, but also information relating to future events.

For credit exposures falling within the scope of application of the impairment model, the accounting standard provides for the allocation of the individual positions in one of the 3 stages listed below:

- in stage 1, positions that do not present, at the valuation date, a significant increase in credit risk or which can be identified as 'low credit risk';
- in stage 2, positions that, at the reference date, present a significant increase or that do not present the characteristics to be identified as 'low credit risk';
- in stage 3, non-performing positions.

More specifically, the Group made provision for the allocation of the individual credit, on-balance and off-balance sheet positions, in one of the three stages listed below, based on the following criteria:

- in stage 1, positions with generation date of less than three months from the measurement date or that do not present any of the characteristics described in the following point;
- in stage 2, the positions, which at the reference date, showed a significant increase in credit risk:
  - positions belonging to certain particularly risky geo-sectoral clusters, identified by an IFRS 9 PD higher than 20% on average, or identified "collectively" as at risk;
  - positions which, at the valuation date, are classified to watch list, i.e. performing under observation;
  - positions which, as at the valuation date, show an increase in PD compared to that at origination, which exceeds certain thresholds calculated using quantile regression methods;
  - presence of a 'forborne performing' attribute;
  - presence of past due amounts and/or overrun by more than 30 days;

- positions (without 'lifetime PD' at the disbursement date) that, at the measurement date, do not present the characteristics to be identified as 'low credit risk' (as described below);
- counterparty positions classified as performing and identified on the basis of the Group policy as POCI (Purchased or Originated Credit Impaired);
- positions with hedging subject to overlays over predefined hedging thresholds were moved to stage 2;
- in stage 3, non-performing loans. These concern individual positions relating to counterparties classified in one of the impaired loan categories set forth by Bank of Italy Circular no. 272/2008 and subsequent updates. Falling into this category are impaired past due and/or overrun, 'unlikely to pay' and impaired exposures.

Performing positions which at the valuation date have a one-year PD pursuant to IFRS 9 no greater than 0.3% are considered low credit risk.

Positions are allocated automatically to the stages set out in IFRS 9 according to the criteria defined above.

The estimate of expected loss using the Expected Credit Loss (ECL) methodology, for the classes defined above, takes place on the basis of the allocation of each position into the three reference stages, as detailed below:

- stage 1, expected loss is calculated on a time horizon of one year;
- stage 2, the expected loss is calculated by considering all the losses that it is presumed will be incurred during the entire life of the financial asset (lifetime expected loss);
- stage 3, the expected loss must be calculated from a lifetime perspective, but unlike the positions in stage 2, the calculation of lifetime expected loss will be analytical. In addition, where appropriate, forward looking elements will be introduced to the measurement of the aforementioned positions represented, in particular, by the inclusion of different scenarios (e.g. sale), weighted for the relevant probability of occurrence. More specifically, as part of the estimate of the recovery value of the positions (in particular those classified as non-performing), the inclusion of a transfer scenario, as an alternative to the internal management scenario, normally involves the recognition of greater value adjustments connected with the application of weighted sale prices for the relative probability of occurrence of the transfer scenario.

With specific reference to loans to banks, the Group has adopted a model for determining the significant increase in credit risk that differs slightly from that applied to loans to customers, although the stage allocation logic adopted for loans to banks have been defined as consistently as possible with those implemented for loans to customers.

More specifically, with reference to loans to banks, the low credit risk ratios are performing ratios which at the valuation date have the following characteristics:

- absence of lifetime PD at the disbursement date;
- PD Point in Time lower than 0.3%.

Interbank positions are allocated automatically to the stages set out in IFRS 9 according to the criteria defined above. Now, therefore, for loans to banks, the Group adopts the IFRS 9 impairment model developed on an ad hoc basis for the specific counterparty type and, therefore, different from the model used for loans to customers.

Also for loans to banks, the estimate of expected loss using the Expected Credit Loss (ECL) methodology, for the classes defined above, takes place on the basis of the allocation of each position into the three reference stages, as detailed below:

- stage 1: expected loss is calculated on a time horizon of 12 months;
- stage 2: expected loss is calculated on a time period that incorporates the entire duration of the position until maturity (so-called LEL, Lifetime Expected Loss);
- stage 3, expected loss must be calculated from a lifetime perspective, but unlike the positions in stage 2, the calculation of lifetime expected loss is analytical.

The probability of default and exposure at default (hereinafter also PD and EAD) risk parameters are calculated by the impairment model.

The loss given default (hereinafter also "LGD") parameter is prudentially set at the regulatory level of 45% valid in the IRB Foundation model, for portfolios composed of risk assets other than subordinated and guaranteed instruments.

With reference to the portfolio of securities, the use of the approach for loans is confirmed, i.e. allocation of securities into one of the three stages set forth by IFRS 9, which correspond to the three different expected loss calculation methodologies.

In stage 1, expected loss is measured within a time horizon of one year, therefore with a probability of default at 12 months.

In the stage 1 of creditworthiness, securities were placed:

- at the moment of purchase, regardless of their risk;
- which, at the measurement date, have not experienced a significant increase in credit risk with respect to the moment of purchase;
- which have experienced a significant decrease in credit risk.

In stage 2, the ECL is calculated by using the probability of lifetime default. This stage will include those securities that possess the following characteristics:

- at the measurement date, the instrument presents an increase in credit risk with respect to the purchase date as such to request the recognition of an expected loss until maturity;
- instruments that fall under stage 3 on the basis of a significant decrease in risk.

The third and final stage includes exposures for which the ECL is calculated using a probability of default of 100%.

The decision to place instruments in stage 1 or in stage 2 is connected with the quantification of the thresholds that identify a significant increase in the credit risk of the individual tranche subject to valuation. These thresholds are calculated from the characteristics of the portfolio. As regards stage 3, an analysis is conducted as to whether the increase in risk was high enough, from the moment of initial recognition, to consider the assets 'impaired', i.e. whether events were verified as such to negatively impact future cash flows. As outlined previously, an incremental loss must be recognised from stage 1 to stage 3. In more detail:

- the 12-month ECL represents the expected value of the loss estimated on an annual basis;
- the lifetime ECL is the estimate of expected loss until maturity of the security;
- the estimate parameters of the ECL are the probability of default, the Loss Given Default and the Exposure at Default of the individual tranche (PD, LGD, EAD).

### **Analytical impairment of receivables in stage 3**

With reference to the analytical valuation of loans, the model used by the Group to determine allocations for impaired loans (stage 3) measured at amortised cost or at fair value through other comprehensive income requires, depending on their characteristics, the use of a specific analytical valuation or a flat-rate analytical valuation.

The specific analytical valuation method is designed to determine the correct quantification of the allocations for each position, considering both the characteristics of the individual position being valued and the characteristics of the counterparty to which the same is registered.

The purpose of the flat-rate analytical valuation is to determine the correct quantification of allocations for each position and is carried out by estimating risk parameters defined by a statistical model, in line with the provisions for the collective assessment of performing exposures with reference to stage 2 credit exposures.

The flat-rate analytical valuation shall apply to credit exposures with the following characteristics:

- impaired past due and/or overrun exposures;
- impaired off-balance sheet exposures (e.g. endorsement exposures, available margins on credit);
- on-balance exposures classified as unlikely to pay that do not exceed an amount threshold defined at the individual debtor level (so-called size threshold);
- on-balance exposures classified as non-performing that do not exceed the size threshold.

The specific analytical valuation applies to credit exposures that have the following characteristics:

- on-balance exposures classified as unlikely to pay that exceed the size threshold;
- on-balance exposures classified as non-performing that exceed the size threshold.

For the purposes of applying the size threshold, the overall credit exposure is taken as a reference at the level of the individual debtor, thus determining, alternatively, a flat-rate or specific analytical valuation for all cash relationships in the name of the same debtor. The size threshold for counterparties classified as unlikely to pay and non-performing is EUR 100,000.

The assessment of expected losses, in particular with regard to non-performing exposures, shall be carried out taking into account the probability that different credit realisation scenarios will occur, such as the assignment of the exposure or, conversely, internal management.

With regard to the specific analytical valuation of recoverable amount (valuation component), the Group adopts two alternative approaches that reflect the characteristics and riskiness of individual credit exposures:

- “going concern” approach, which applies only to business counterparties, operating in sectors other than real estate, that have objective prospects of going concern that are assumed when:
  - the debtor’s future operating cash flows are pertinent and can be reliably estimated from documentable sources, such as:
    - updated, complete and regular official financial statements;
    - the business plan, the use of which for estimating cash flows is subject to (i) verification of the reliability and feasibility of the assumptions underlying the plan and (ii) full compliance with the plan, if it is already in progress;
    - the plan provided for in relation to agreements pursuant to the Bankruptcy Law such as, for example, pursuant to Article 67 letter d), Article 182 bis and septies, Article 186 bis, Article 160 et seq., it being understood that as long as the plans have only been submitted and not sworn in by the external professional appointed, the participating banks must carry out the same checks as those provided for with reference to the business plans;
  - the debtor’s future operating cash flows are adequate to repay the financial debt to all creditors;
- “gone concern” approach, which applies obligatorily to credit exposures in the name of individuals and for companies with a view to business cessation or where it is not possible to estimate operating cash flows.

The discounting of the recoverable amount (financial component), applied for non-performing loans and unlikely to pay, is based on the determination of the discount rate and the recovery time.

## Impairment of equity investments

At each reporting date, investments in associates or jointly controlled companies are subject to an impairment test to verify whether there is objective evidence that the Book value of the assets in question is not fully recoverable. If there is any indication of this, the entity must estimate the asset’s recoverable amount that, therefore, is tested for impairment.

The presence of impairment indicators (such as the presence of lower than expected economic performance of the investee company, significant changes in the environment or in the market where the company operates or in market interest rates, etc.) leads to the recognition of an impairment loss to the extent that the recoverable amount of the investment is lower than its carrying amount.

The recoverable amount is represented by the higher of the fair value, net of costs to sell and the value in use of the equity investment. As a consequence, the need to estimate both values does not apply if one of them has been valued above the Book value.

For the valuation methods used to determine fair value, reference should be made to paragraph "A.4 - Information on fair value" of this Part A.

The value in use of the investment is the present value of the expected cash flows from the asset. This quantity responds to a general logic according to which the value of an asset is a direct expression of the cash flows it is able to generate over the period of its use. The determination of value in use therefore presupposes the estimate of the cash flows expected from the use of the assets or their final disposal expressed in terms of present value through the use of appropriate discount rates.

When an equity investment does not generate cash flows that are largely independent from other assets, it is subject to an impairment test not independently, but at the level of the CGU. Therefore, when assets attributable to a subsidiary are included in a CGU larger than the investment itself, the impairment test can only be carried out at the latter level and not at the level of the individual investee company for which a value in use cannot be correctly estimated.

If the outcome of the impairment shows that the recoverable amount is higher than the Book value of the equity investment, no value adjustment is recognised; otherwise, an impairment loss is recognised in Consolidated Income Statement item 250. Profit (loss) on equity investments.

Should the recoverable amount subsequently be higher than the new Book value because it can be demonstrated that the elements that led to the write-down are no longer present, a write-back is permitted up to the amount of the previously recorded adjustment.

## Impairment of other fixed assets

### Tangible assets

IAS 36 establishes that, at least once a year, the company must verify whether the tangible assets held show one or more indicators of impairment. If such indicators are found, the enterprise must carry out a valuation (impairment test) in order to detect any impairment loss.

The impairment test does not apply to the tangible assets that constitute:

- real estate investments measured at fair value (IAS 40);
- inventories (IAS 2);
- assets within the scope of IFRS 5.

The impairment indicators to be considered are those defined by paragraph 12 of IAS 36. In this regard, impairment indicators specific to tangible assets may occur, for example, in the presence of obsolescence that prevents normal use of the same such as fire, collapse, unusability and other structural defects.

Although IAS 36 is applicable to individual assets, it is often very difficult or, in some cases, impossible to calculate the value in use of an individual tangible asset. For example, it is not always possible to attribute specific incoming or outgoing cash flows to a property that hosts the Management (so-called corporate asset) or to a plant or machinery. In these cases, IAS 36 states that the CGU, i.e. the smallest grouping of assets that generates independent cash flows, must be identified and tested at this higher

level (rather than on the individual asset). This is precisely because it is often a group of assets - and not a single asset - that generates cash flow and for this reason it is not possible to calculate the value in use of the individual asset.

Without prejudice to the above, the impairment test involves the need to compare the recoverable amount (which in turn is the higher of value in use and fair value net of costs to sell) of the tangible asset or the CGU with the relative Book value.

If and only if the recoverable amount of an asset or of the CGU is lower than its Book value, the latter must be reduced to the recoverable amount, configuring an impairment loss.

### **Intangible assets**

Pursuant to IAS 36, the Group is required to perform an impairment test at least once a year, irrespective of the presence of impairment indicators, on the following assets:

- intangible assets with an indefinite useful life (including goodwill);
- intangible assets not yet available for use (including those in progress).

Other intangible assets (e.g. those with a defined useful life such as core deposits acquired in a business combination) must be subject to an impairment test only if there is an indicator of impairment.

In this regard, the impairment indicators to be considered for intangible assets are those defined by paragraph 12 of IAS 36. Specific impairment indicators for intangible assets (and in particular for goodwill) may occur, for example, in the event of actual results significantly below budget forecasts (which suggests a downward revision of the projections used for the test) or in the event of an increase in the discount rate or a reduction in the long-term growth rate.

Intangible assets with a definite useful life, such as any value of the asset management portfolio acquired as part of business combinations, in the presence of impairment indicators are subject to a new assessment process to verify the recoverability of the values recorded in the financial statements. The recoverable amount is determined on the basis of the value in use, i.e. the present value, estimated using a rate representative of the time value of money and the risks specific to the asset, the profit margins generated by the relationships existing at the date of the valuation over a time horizon expressing the expected residual duration of the same.

Intangible assets with an indefinite useful life, represented mainly by goodwill, as mentioned above, are tested annually for impairment. As there are no independent cash flows, the impairment test is carried out for the above mentioned assets with reference to the Cash Generating Unit (CGU) to which the values have been attributed.

The CGU represents the smallest identifiable group of assets generating cash inflows (revenues) that are largely independent of the flows generated by other assets or groups of assets. It identifies the lowest possible level of aggregation of assets provided that it is, at that level, possible to identify cash inflows that are objectively independent and autonomous from other assets.

Once the CGUs have been identified, it is necessary to determine their recoverable amount, which will be compared with their Book value in order to quantify any impairment. The recoverable amount is defined as the greater of:

- value in use;
- the fair value less costs to sell.

IAS 36 at para. 19 states that if one of the two values (value in use or fair value less costs to sell) is higher than the Book value of the CGU, it is not necessary to estimate the other.

Value in use represents the present value of future cash flows expected to arise from a CGU. The value in use, therefore, responds to a general logic according to which the value of an asset is a direct expression of the cash flows it is able to generate over the period of its use. The determination of value in use requires an estimate of the expected cash inflows and outflows from the CGU and the appropriate discount rate depending on the level of risk of these flows.

Fair value is the amount obtainable from the sale of an asset or Cash Generating Unit (CGU) in a free transaction between knowledgeable and independent counterparties. Costs to sell include those directly associated with the potential sale (e.g. legal fees).

A CGU is written down when its Book value is higher than its recoverable amount. In essence, an asset or CGU needs to be written down because it is impaired, either because the cash flows that will be generated from the use of the asset are not sufficient to recover the book value of the asset, or because the asset would be sold for less than its book value.

## 15.6 Business combinations

A business combination consists of the bringing together of companies or company activities into a single entity required to prepare financial statements.

A business combination may give rise to an investment link between the Parent Company (acquirer) and subsidiary (acquiree). A business combination may also make provision for the purchase of the net assets of another company, including any goodwill, or the acquisition of the capital of another company (mergers and contributions).

Based on the provisions of IFRS 3, business combinations must be accounted for by applying the purchase method which envisages the following phases:

- identification of the purchaser;
- determination of the cost of the business combination;
- allocation, at the acquisition date, of the cost of the business combination to the assets acquired and liabilities assumed, including therein any contingent liabilities.

In particular, the cost of a business combination is determined as the sum of the fair value, at the date of the exchange, of the assets transferred, the liabilities incurred or assumed and the equity instruments issued, in exchange for control of the acquiree augmented by any cost directly attributable to the business combination.

The acquisition date is the date on which control of the business acquired is effectively obtained. When the acquisition is carried out via a single exchange, the exchange date coincides with the acquisition date.

When the business combination is achieved through several exchange transactions:

- the cost of the combination is the total cost of the individual transactions;
- the exchange date is the date of each exchange transaction (i.e. the date on which each investment is recognised in the financial statements of the acquiring company), while the acquisition date is the date on which control of the business acquired is obtained.

The cost of a business combination is allocated by recognising the identifiable assets, liabilities and contingent liabilities of the acquiree at the associated fair values at the acquisition date.

The identifiable assets, liabilities and contingent liabilities of the acquiree are recognised separately at the acquisition date only if, at said date, they satisfy the following criteria:

- in the event of an asset other than an intangible asset, it is likely that any future related economic benefits flow to the purchaser and it is possible to reliably measure its fair value;
- in the event of a liability other than a contingent liability, it is likely that, to extinguish the obligation, the use of resources aimed at generating economic benefits will be necessary and it is possible to reliably measure its fair value;
- in the event of an intangible asset or a contingent liability, the relevant fair value can be reliably measured.

The positive difference between the cost of the business aggregation and the purchaser's interest at the net fair value of the identifiable assets, liabilities and contingent liabilities must be accounted for as goodwill.

Following initial recognition, the goodwill acquired in a business combination is measured at the relevant cost, and is subject to an impairment test at least annually. In the event of a negative difference, a new measurement is performed. This negative difference, if confirmed, is booked immediately as revenue in the income statement.

## 15.7 Accruals and deferrals

Accruals and deferrals that include expenses and income pertaining to the period accrued on assets and liabilities are booked to the financial statements as an adjustment to the assets and liabilities to which they refer.

## 15.8 Own shares

Any own shares held are deducted from equity. Similarly, the original cost of the same and the profits or losses arising from their subsequent sale are recognised as movements in equity. Similarly, shares issued by the Parent Company and subscribed by the Affiliated Banks as part of the sole consolidating entity are also deducted from Group's equity.

## 15.9 Payments based on shares

This case does not apply to the Group, as it does not have a so-called 'stock option plan' in place on Group-issued shares.

## 15.10 Transfer of the "Tax bonus" tax credit - Law no. 77 of 17 July 2020

As known, Law no. 77 of 17 July 2020, converting, with amendments, to the Relaunch Decree law, has strengthened tax deductions for seismic and energy upgrade interventions on national real estate assets, granting taxpayers the possibility of opting for the conversion of the tax deduction into a tax credit that can be transferred to third parties, mainly to credit institutions and suppliers.

Since the conversion into law of the "Relaunch Decree", the tax deductions arising from construction works have undergone significant changes, both in terms of the procedure for exercising the option of sale or discount on the invoice as well as in terms of the time period within which the expenses are incurred, intended to restrict the scope of application of the Superbonus and the so-called "minor" bonuses and their transferability. The legislative changes present in Decree Law no. 39/2024, among other things, limit the possibility to offset the tax credits already held by Banks, including for acquisitions of previous tax credits, due to the exclusion from 1 January 2025 of the components related to pension contributions, social/assistance contributions, and premiums for insurance against occupational injuries and illnesses. Furthermore, they prohibit the possibility to sell the tax credits that the Affiliated Banks purchased from their customers at a price below 75% of their nominal value.

Therefore, we believe that following the aforementioned legislative changes, there will be a progressive reduction of transfers to credit institutions.

On the basis of the information available during preparation of the consolidated half-yearly financial statements at 30 June 2025, a current and prospective fiscal capacity within the Group is estimated that would make it possible to autonomously offset, in the second half of 2025 and later years, all tax credits present in the portfolio at the reporting date. Furthermore, various entities of the Group have signed forward contracts with third parties of high standing that, by reducing the overall amount of tax credits subject to future offsetting, further increase the aforesaid excess in fiscal capacity.

In relation to the accounting classification to be adopted in the financial statements of the assignee, there is no single reference framework for the particular and new characteristic of the instrument in question. In particular, the present case:

- does not fall within the scope of IAS 12 "Income taxes" as it cannot be assimilated to taxes that affect the ability of the company to produce income;



- does not fall within the scope of the definition of government grants according to IAS 20 “Accounting for government grants and disclosure of government assistance” as the ownership of the receivable from the tax authorities arises only after payment of a consideration to the transferor;
- is not attributable to the provisions of IFRS 9 “Financial instruments” as the tax credits purchased do not originate from a contract between the assignee and the Italian State;
- is not attributable to IAS 38 “Intangible assets”, as the tax credits in question can be considered monetary assets, allowing the payment of tax payables usually settled in cash.

The tax credit in question therefore represents a case not explicitly dealt with by an IAS/IFRS accounting standard, and as such requires reference to the provisions of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” and in particular the need for the reporting entity to define an accounting treatment that reflects the economic substance and not merely the form of the transaction and that is neutral, prudent and complete.

The approach followed, with particular reference to the application of the accounting standard IFRS9, is the one identified both by the Italian Accounting Body (OIC) and by the Bank of Italy/Consob/IVASS Document no. 9 (“Accounting treatment of tax credits related to the “Cura Italia” and “Rilancio” Decree Laws acquired following their transfer by direct beneficiaries or previous purchasers”). Tax credits are, in fact, substantially similar to a financial asset in that they can be used to offset a debt usually paid in cash (tax debts), as well as being exchanged for other financial assets. The condition to be met is that the same tax credits may be framed in a business model of the entity. The Cassa Centrale Group includes tax credits in the hold-to-collect business model, as the intention is to hold these receivables until maturity.

In this sense, the following can be established:

- at the time of initial recognition, the fair value of the tax credit is equal to the purchase price of the receivables included in the transaction;
- in the fair value hierarchy envisaged by IFRS 13, the fair value level is similar to level 3, as there are currently no active markets or comparable transactions;
- the purchase price of tax receivables is affected by both the time value of money and the ability to use it within the relative time limit;
- the subsequent accounting of financial assets takes place at amortised cost, through the use of an effective interest rate determined at the origin, so that the discounted cash flows associated with the expected future offsetting, estimated over the expected duration of the receivable tax, equal the purchase price of the same receivables;
- using the amortised cost method, the cash flow estimates are periodically reviewed and the gross book value of the financial asset is adjusted to reflect the actual and restated cash flows. In making these adjustments, the new cash flows are discounted at the original effective interest rate. This accounting therefore makes it possible to recognise the income during the life of said tax credit, as well as to immediately recognise any losses of the transaction;
- if the estimates regarding the use of the tax credit are revised through offsetting, the gross book value of the tax credit is adjusted to reflect the estimated, actual and restated uses. This also includes the breakdown into ten annual instalments of the residual credits arising from the transfer or invoice discount relating to the deductions due for certain building works;
- SPPI test: The mechanism of compensation in annual portions ensures that the test is passed because each portion offset is assimilated to a constant cash flow, which includes a principal and an implicit interest rate (French amortisation), where the interest rate is determined on the basis of an internal rate of return of the transaction determined at the origin and no longer modified;
- taking into account the special characteristics of these tax credits, held with the aim of using them until they are completely offset, within the time period allowed, with the payments of debts payable through F24, as mentioned above, the Cassa Centrale Group attributes the tax credits for the sole purpose of assessing the financial statement item to the Hold To Collect business model.

If, according to a Group company, the actual or prospective individual ceiling has been exceeded and, on the basis of the transfer orders collected from its customers, in order to preserve the established commercial relationships, it enters into forward contracts to transfer tax credits with counterparties outside the Group, it is considered more appropriate from an accounting perspective to attribute these credits to the “hold to collect and sell” business model, which better represents tax credits held for sale or, alternatively, for offsetting.

This business model provides for a measurement of the items at fair value through equity, i.e. at each accounting closing it is necessary to adjust the book value to align it with the fair value calculated and to measure at equity the delta between the fair value measurement and the one at amortised cost.

In light of the forward contracts and related transfer prices, it follows that the purchasers grant the entities of the Cassa Centrale Group purchase prices close to the book values at the presumed transfer date. Therefore, the book value of such loan portfolio as at 30 June 2025 is representative of the fair value found in the market transactions stipulated with counterparties outside the Group.

## A.3 – Information on transfers between portfolios of financial assets

The Group has not performed any transfer between the portfolios of the financial instruments during the period. Thus the compilation of the envisaged tables is omitted.

## A.4 – Information on fair value

### Information of qualitative nature

The accounting standard IFRS 13 defines fair value as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The “Fair value policy” of the Cassa Centrale Group has defined the principles and methods for determining the fair value of financial instruments and the criteria for determining the so-called “fair value hierarchy”.

A fair value measurement assumes that the sale of the asset or the transfer of the liability takes place:

- in the main market for the asset or liability;
- in the absence of a main market, in the most advantageous market for the asset or liability.

In the absence of a main market, all reasonably available information is taken into consideration in order to identify an active market among the available markets where the fair value of an asset/liability can be measured: in general, a market is active in relation to the number of contributors and the type of the same (dealer, market maker), the frequency of price updating and deviation, the presence of an acceptable bid-offer spread. These prices are immediately executable and binding and express the actual and regular levels of exchange on the valuation date.

In order to identify these markets, the Group has equipped itself with tools to monitor whether or not a market can be considered active, in particular with regard to bonds, shares and funds.

In this respect, in general, a financial instrument is considered to be quoted on an active market if prices are readily and regularly available, are immediately executable and binding and represent actual market transactions that occur regularly in normal trading on a regulated market or Multilateral Trading Facilities (MTFs).

The presence of official prices in an active market is the best evidence of fair value; these prices therefore represent the prices to be used in priority for fair value measurements.

In the absence of an active market, fair value is determined using prices recorded on non-active markets, valuations provided by info providers or techniques based on internal valuation models which are described in the Group’s internal regulations.

When using such models, the use of relevant observable inputs shall be maximised where possible and the use of non-observable inputs shall be minimised. Observable inputs refer to prices formed within a market and used by market participants in determining the exchange price of the financial instrument being valued. This includes prices of the same asset/liability in a non-active market, parameters supported and confirmed by market data and valuation estimates based on daily observable inputs.

The non-observable inputs, on the other hand, are those not available on the market, processed on the basis of assumptions that the operators/assessors would use in determining the fair value for the same instrument or similar instruments of the same type.

IFRS 13 defines a fair value hierarchy that classifies the inputs of the valuation techniques adopted to measure fair value into three distinct levels. In particular, there are three levels of fair value:

- Level 1: fair value is determined on the basis of quoted prices observed on active markets. The Group has equipped itself with tools to identify and monitor whether or not a market can be considered active with regard to bonds, shares and funds. A financial instrument is considered to be listed on an active market if prices are readily and regularly available, are immediately executable and binding and represent actual market transactions that occur regularly in normal trading on a regulated market or Multilateral Trading Facilities (MTF). For example, the following are classified at this level of fair value:
  - bonds listed on Bloomberg MTF and valued with composite prices or, limited to Italian government securities, with MOT reference price;
  - shares and ETFs listed on markets where:
    - in the last five sessions, the volumes traded are not zero and the prices recorded are not identical;
    - there has been a significant volume of transactions in the last month;
    - the free float of the security is higher than the minimum level required by Borsa Italiana for admission to listing on the Euronext Milan market.
  - UCITS mutual funds, i.e. undertakings for collective investment in transferable securities.
- Level 2: fair value is determined on the basis of valuation techniques that envisage:
  - reference to market values that do not reflect the stringent active market requirements envisaged for Level 1;
  - valuation models using inputs observable on active markets. More specifically, with regard to financial instruments for which it is not possible to identify a fair value in active markets, the Group refers to prices in markets where the stringent requirements of the active market are not met or to valuation models - also developed by info providers - aimed at estimating the price at which a regular sale or transfer of a liability between market participants would take place on the valuation date. These models for determining fair value (e.g. discounting cash flow model, option pricing models) include the representative risk factors that condition the valuation of a financial instrument (cost of money, credit risk, volatility, exchange rates, etc.) and that are observed in active markets such as:
    - the prices of similar financial assets/liabilities;
    - interest rates and yield curves observable at commonly quoted intervals;
    - implied volatility;
    - credit spread;
    - inputs corroborated by the market based on observable market data.

The fair value thus determined is assigned a level of 2. Some examples of securities classified at this level are:

- non-governmental bonds for which a price is available on a non-active market;
- securities for which the valuation is provided by a third party provider using inputs observable on active markets;
- securities for which valuation is provided using internal models based on inputs observable on active markets (e.g. bonds measured at fair value option);
- shares that are not listed on an active market;
- OTC (Over the counter) financial derivatives concluded with institutional counterparties measured mainly through observable market data.

- Level 3: the estimate of fair value is carried out using valuation techniques that make significant use of inputs that are not observable on the market and assumptions made by operators using historical evidence or statistical assumptions. Where present, as examples, the following are classified at this level:
  - unlisted minority equity investments;
  - insurance investment products;
  - unlisted non-UCITS funds;
  - junior securitisation securities;
  - additional Tier 1 bonds for which the valuation is provided using internal models that partly use inputs that are not observable on active markets.

The classification of fair value is a figure that may vary over the life of a financial instrument. Consequently, it is necessary to verify on an ongoing basis the significance and observability of market data in order to proceed with any change in the level of fair value attributed to an instrument.

### A.4.1 Fair value levels 2 and 3: valuation techniques and inputs used

In the absence of an active market, fair value is determined using valuation techniques appropriate to the circumstances. Below is an illustration of the main valuation techniques adopted for each type of financial instrument, where an internal valuation model is used to determine fair value.

The internal valuation models are reviewed periodically to ensure their full and constant reliability and are updated to the most up-to-date techniques used on the market.

#### Unlisted bonds not contributed by info providers issued by Italian banks

The procedure for estimating the fair value of bonds is based on a discounted cash flow model.

The yield curve used in the discounting is constructed from liquid bonds, with the same seniority and currency of the instrument being valued, issued by companies belonging to the same sector and with a similar rating class.

As part of the fair value measurement of bonds issued by the issuer, the estimate of fair value takes into account changes in the issuer's creditworthiness. In particular, for securities issued by Affiliated Banks of the Cassa Centrale Banca Cooperative Banking Group or other cooperative credit banks, the rating class is determined on the basis of the rating assigned to the senior unsecured/senior preferred liabilities of the related Parent Company. Changes in the rating may also lead to changes in the fair value calculated according to the characteristics of the security and the discount curve used based on the level of seniority of the bond.

Given the predominant use of observable inputs, the fair value is classified at level 2, except in some cases where the fair value is set at level 3 since the inputs used are not observable due to the special characteristics of the issue (senior non-preferred or Tier 2 subordinate securities exchanged between companies of the bank group, for example).

#### Derivatives

The fair value of OTC derivatives, for which there is no price quoted on regulated markets, is determined using different quantitative models depending on the type of instrument. In detail, for non-optional instruments the valuation techniques adopted belong to the discount cash flow model category (e.g. interest rate swaps, FX swaps). For rate-optional instruments, a Shifted Black pricing model is used, with a cumulative distribution function of the underlying variable assuming a log-normal distribution.

The models are supplied using market-observable inputs such as rate curves, exchange rates and volatility.

With regards to the determination of the fair value of OTC derivatives in balance sheet assets, IFRS 13 confirmed the rule of applying the credit valuation adjustment - CVA. With regard to financial liabilities represented by OTC derivatives, IFRS 13 introduces a debt valuation adjustment (DVA), i.e. a fair value adjustment to reflect its own default risk on such instruments.

The Group therefore considered it reasonable not to recognise a correction in the fair value of derivatives for CVA and DVA in the cases in which agreements had been made and remained operative for collateralisation of the positions in derivatives with the following characteristics:

- a bilateral exchange of guarantees with a high frequency (daily or at the most weekly);
- the type of guarantee provided in cash or highly liquid government securities with a high credit rating, subject to an appropriate spread;
- absence of a threshold of the fair value of the derivative under which an exchange of guarantees is not required or setting the level to such a threshold which is adequate to allow for effective and significant mitigation of the counterparty risk;
- MTA - minimum transfer amount (that is the difference between the fair value of the contract and the value of the guarantee) under which there is no adjustment of the collateralisation of the positions, identified contractually at a level that allows for essential mitigation of the counterparty risk.

### **Unlisted minority equity investments**

The main valuation methods adopted by the Group, in accordance with the provisions of IFRS 13, in the valuation of unlisted minority equity investments are set out below:

- market methodologies (market approach): these are based on the idea of comparability with other market participants assuming that the value of an asset can be determined by comparing it to similar assets for which market prices are available. In particular, in practice, two reference sources of market prices are taken into account: stock market prices in active markets and observable information from merger transactions, acquisition or sale of share packages (direct transaction method, transaction multiples, market multiples);
- income approach: these are based on the assumption that future cash flows (e.g. cash flows or dividends) are convertible into a single (discounted) current value. In particular, the main methodologies that fall into this category include i) discounted cash flow (DCF); ii) dividend discount model (DDM); iii) appraisal value;
- adjusted net asset value or ANAV: this method is based on the principle of expressing, at current values, the individual elements of the assets (represented, essentially, by equity investments, whether controlling or not) and liabilities with the emergence also of any items not recorded in the financial statements. This method is normally used to determine the economic value of holding companies and investment companies whose value is closely related to the portfolio of equity investments held.

In accordance with the provisions of IFRS 13, the Group verifies, depending on the specific case, whether it is necessary to apply certain adjustments to the economic value resulting from the application of the aforementioned valuation methods to determine the fair value of the investment under analysis (e.g. liquidity discount, control premium, minority discount).

The choice of valuation approach is left to the judgement of the valuer as long as it favours, compatibly with the available information, methodologies that maximise the use of observable inputs on the market and minimise the use of non-observable inputs.

Lastly, it should be noted that the Group uses the net asset value or cost method (as a proxy for fair value) for minority interests below certain materiality thresholds for which no fair value measurement based on the aforementioned methods is available, based on specific parameters defined within the Fair Value Policy approved by the Board of Directors.

### **Unlisted mutual investment funds**

Mutual investment funds such as unlisted real estate funds, private equity funds and alternative investment funds (hereinafter also referred to as 'AIFs') are characterised by a portfolio of assets generally valued with subjective inputs and provide for the redemption of the subscribed portion only at a certain maturity.

These funds are measured using the net asset value (NAV) corrected, where necessary, by a discount factor associated with a "liquidity premium" determined using an internal model.

For the above reasons, the net asset value (NAV) determined in this way and used as a fair value estimation technique is considered to be level 3.

### **Insurance investment products**

The valuation of these assets provides for the discounting of expected future cash flows from the investment. In this regard, the estimate of cash flows is based on the use of risk-free financial scenarios in which a Monte-Carlo simulative approach is used for the projection of future returns from the separate holding. The input data of the functional model for the estimation of flows consist of:

- historical information on the performance of the separate holdings involved;
- risk-free rates;
- the average asset allocation of the Italian separate holdings taken from market data (source: ANIA) at the last available survey compared to the valuation date.

Cash flow projections are made using a financial-actuarial model that incorporates the data of the policyholder, the financial structure of the insurance investment product (minimum guaranteed rates, management fees), demographic assumptions and financial data in order to consider the value of the financial options included in the insurance investment product. These cash flows are finally discounted using the same risk-free curve specific to the individual scenario.

### **Loans and receivables**

The fair value measurement of loans mainly takes place in cases where the relationship fails the SPPI test (as set forth in IFRS 9) or in cases of hedge accounting or application of the fair value option.

The valuation method consists of discounting the contractual cash flows net of the expected loss calculated in accordance with the provisions of the IFRS 9 model used to estimate value adjustments.

With reference to loans to customers and banks, recorded under financial assets measured at amortised cost, the fair value of which is provided for disclosure purposes, it should be noted that the fair value of short-term or revocable loans has been conventionally assumed to be equal to the carrying amount.

With regard to non-performing positions - except for situations in which, given the presence of objective elements deriving from valuations on portfolios and/or specific positions expressed by third parties, the values deriving from such valuations are used - the book value has been assumed as an approximation of fair value.

## **A.4.2 Processes and sensitivities of the valuations**

The Group generally carries out a sensitivity analysis of non-observable inputs, through a stress test on non-observable inputs that are significant for the evaluation of the different types of financial instruments belonging to level 3 of the fair value hierarchy.

On the basis of this analysis, potential changes in fair value are determined, by type of instrument, attributable to plausible changes in non-observable inputs. The sensitivity analysis was developed for the financial instruments for which the valuation techniques adopted made it possible to carry out this exercise.

That said, financial instruments under assets with a fair value level 3 represent a residual portion of approximately 3% of the total portfolio of financial designated at fair value. They consist mainly of unlisted minority equity investments, shares in mutual investment funds, and insurance investment products (typically life insurance policies).

With reference to insurance investment products, as highlighted above, these are valued on the basis of a calculation model that provides for the discounting of future cash flows expected from the same investment, taking into account financial, demographic and contractual assumptions.

For the above instruments, considering that the financial and demographic assumptions are derived from observable market data (e.g. Italian risk-free interest rate maturity structure with volatility adjustment, ISTAT mortality table, etc.), the sensitivity analysis was carried out with reference to the non-observable inputs underlying the contractual assumptions (relatively less relevant for valuation purposes).

In particular, the sensitivity analysis concerned the spread (obtained by weighting the historical yields of the reference separate holding) added to the Euro swap rate in order to determine the functional capitalisation rate to calculate, starting from the last insured capital communicated by the insurance companies, the insured capital at the valuation date. The above analysis was carried out on a sample of instruments of this type and showed little significant effects on the fair value of the insurance investments resulting from the change in the non-observable inputs under examination, also due to the aforementioned circumstance that the non-observable inputs underlying the contractual assumptions are in relative terms less relevant for valuation purposes.

With reference to the other fair value level 3 instruments, the sensitivity analysis is not produced because the effects deriving from the change in the non-observable inputs are considered not relevant.

### **A.4.3 Fair value hierarchy**

For a description of the fair value hierarchy levels envisaged by the Group, please refer to paragraph "A.4 - Information on fair value".

With reference to assets and liabilities measured at fair value, classification at the correct level is carried out with reference to the rules and methods set out in internal regulations.

Any transfers to a different level of hierarchy are identified on a monthly basis. The transition from level 3 to level 2 occurs when the relevant parameters used as input to the valuation technique are, at the reference date, observable on the market. The transition from level 2 to level 1 takes place when the presence of an active market, as defined by IFRS 13, has been successfully verified. The transition from level 2 to level 3 occurs when, at the reference date, several of the significant parameters in determining fair value are not directly observable on the market.

### **A.4.4 Other information**

The Group does not hold groups of financial assets and liabilities based on its net exposure to market risks or credit risk.

The Group, with reference to derivatives concluded with financial counterparties with which it stipulated framework netting agreements, availed itself of the possibility to measure the fair value at overall portfolio exposure level in order to take account of the offsetting of counterparty risk.



## Information of quantitative nature

### A.4.5 Fair value hierarchy

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

	30/06/2025			31/12/2024		
FINANCIAL ASSETS/LIABILITIES MEASURED AT FAIR VALUE	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	53	11	184	52	12	178
a) financial assets held for trading	-	5	-	-	6	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	53	6	184	52	6	178
2. Financial assets measured at fair value through other comprehensive income	10,989	18	163	9,726	27	146
3. Hedging derivatives	-	79	-	-	70	-
4. Tangible assets	-	-	9	-	-	9
5. Intangible assets	-	-	-	-	-	-
<b>Total</b>	<b>11,042</b>	<b>108</b>	<b>356</b>	<b>9,778</b>	<b>109</b>	<b>333</b>
1. Financial liabilities held for trading	-	11	-	-	7	-
2. Financial liabilities designated at fair value	-	-	-	-	1	-
3. Hedging derivatives	-	11	-	-	15	-
<b>Total</b>	<b>-</b>	<b>22</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>-</b>

#### KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

During the year, there were no significant transfers of assets and liabilities between level 1 and level 2 as defined by IFRS 13, para. 93 letter c).

#### A.4.5.2 Changes during the period in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Tangible assets	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
<b>1. OPENING BALANCES</b>	<b>178</b>	-	-	<b>178</b>	<b>146</b>	-	<b>9</b>	-
<b>2. INCREASES</b>	<b>25</b>	-	-	<b>25</b>	<b>18</b>	-	-	-
2.1. Purchases	19	-	-	19	10	-	-	-
2.2. Profit attributed to:	5	-	-	5	7	-	-	-
2.2.1. Income Statement	5	-	-	5	-	-	-	-
- of which capital gains	5	-	-	5	-	-	-	-
2.2.2. Equity	-	X	X	X	7	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	1	-	-	1	1	-	-	-
<b>3. DECREASES</b>	<b>19</b>	-	-	<b>19</b>	<b>1</b>	-	-	-
3.1. Sales	3	-	-	3	-	-	-	-
3.2. Repayments	10	-	-	10	-	-	-	-
3.3. Losses attributed to:	5	-	-	5	1	-	-	-
3.3.1. Income Statement	5	-	-	5	-	-	-	-
- of which capital losses	5	-	-	5	-	-	-	-
3.3.2. Equity	-	X	X	X	1	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	1	-	-	1	-	-	-	-
<b>4. CLOSING BALANCES</b>	<b>184</b>	-	-	<b>184</b>	<b>163</b>	-	<b>9</b>	-

Item "3.2 Repayments", relating to other financial assets mandatorily measured at fair value, includes life insurance policy repayments issued by insurance companies of about EUR 3 million.

#### A.4.5.3 Changes during the period in liabilities measured at fair value on a recurring basis (level 3)

At the end of the reporting period, the Group does not hold any liabilities designated at fair value on a recurring basis classified to level 3.

#### A.4.5.4 Assets and liabilities which are not measured at fair value or which are measured at fair value on non-recurring basis: breakdown by fair value levels

ASSETS AND LIABILITIES WHICH ARE NOT MEASURED AT FAIR VALUE OR WHICH ARE MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS	30/06/2025				31/12/2024			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	74,184	23,008	553	50,704	71,465	21,634	75	50,049
2. Tangible assets held for investment purposes	84	-	-	98	86	-	-	101
3. Non-current assets and groups of assets held for disposal	-	-	-	-	1	-	-	1
<b>Total</b>	<b>74,268</b>	<b>23,008</b>	<b>553</b>	<b>50,802</b>	<b>71,552</b>	<b>21,634</b>	<b>75</b>	<b>50,151</b>
1. Financial liabilities measured at amortised cost	76,415	521	581	75,328	74,578	542	493	73,557
2. Liabilities associated with assets held for disposal	-	-	-	-	-	-	-	-
<b>Total</b>	<b>76,415</b>	<b>521</b>	<b>581</b>	<b>75,328</b>	<b>74,578</b>	<b>542</b>	<b>493</b>	<b>73,557</b>

#### KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

## A.5 – Information on day one profit/loss

The Group did not carry out any transactions for which, at the moment of first-time recognition of a financial instrument, a difference emerges between the purchase value and the value of the instrument obtained using internal valuation techniques.

# PART B - Information on the consolidated balance sheet

## ASSETS

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

#### 2.1 Financial assets held for trading: breakdown by category

ITEMS/VALUES	Total 30/06/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
<b>A. CASH ASSETS</b>						
1. Debt securities	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equities	-	-	-	-	-	-
3. UCITS units	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repos	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
<b>Total (A)</b>	-	-	-	-	-	-
<b>B. DERIVATIVE INSTRUMENTS</b>						
1. Financial derivatives	-	5	-	-	6	-
1.1 trading	-	5	-	-	6	-
1.2 connected to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 trading	-	-	-	-	-	-
2.2 connected to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
<b>Total (B)</b>	-	5	-	-	6	-
<b>Total (A+B)</b>	-	5	-	-	6	-

#### KEY:

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

This item includes derivative instruments classified in the trading book.

## 2.3 Financial assets designated at fair value: breakdown by category

This table does not contain information deemed significant and therefore was not filled in.

## 2.5 Other financial assets mandatorily measured at fair value: breakdown by category

ITEMS/VALUES	Total 30/06/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
<b>1. DEBT SECURITIES</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>1</b>
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	1	5	2	1	5	1
<b>2. EQUITIES</b>	<b>14</b>	<b>1</b>	<b>-</b>	<b>18</b>	<b>1</b>	<b>-</b>
<b>3. UCITS UNITS</b>	<b>38</b>	<b>-</b>	<b>92</b>	<b>33</b>	<b>-</b>	<b>82</b>
<b>4. LOANS</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>95</b>
4.1 Repos	-	-	-	-	-	-
4.2 Others	-	-	90	-	-	95
<b>Total</b>	<b>53</b>	<b>6</b>	<b>184</b>	<b>52</b>	<b>6</b>	<b>178</b>

### KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

In sub-item "1.2. Other debt securities" includes junior and mezzanine securities related to securitisation transactions for EUR 2 million classified in fair value level 3.

Loans include approximately EUR 64 million in life insurance policies issued by insurance companies, linked to the return on a separate holding, and obligatorily measured at fair value following the failure of the SPPI test.

The item 'UCITS units' is composed of the following main categories of funds:

- bonds for approximately EUR 31 million, about EUR 18 million of which are classified at fair value level 3;
- stocks for approximately EUR 22 million;
- balanced for approximately EUR 3 million;
- real estate of approximately EUR 27 million classified at fair value level 3;
- NPL of approximately EUR 41 million classified at fair value level 3;
- private equity of approximately EUR 6 million classified at fair value level 3.

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

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

ITEMS/VALUES	Total 30/06/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
<b>1. DEBT SECURITIES</b>	<b>10,977</b>	<b>17</b>	<b>-</b>	<b>9,716</b>	<b>26</b>	<b>-</b>
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	10,977	17	-	9,716	26	-
<b>2. EQUITIES</b>	<b>12</b>	<b>1</b>	<b>163</b>	<b>10</b>	<b>1</b>	<b>146</b>
<b>3. LOANS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>10,989</b>	<b>18</b>	<b>163</b>	<b>9,726</b>	<b>27</b>	<b>146</b>

#### KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

The item "1. Debt securities" mainly consists of government securities listed on active markets.

The item "2. Equities" Level 3 includes Bank of Italy shares held by a number of affiliated banks for a value of around EUR 34 million.

### 3.3 Financial assets measured at fair value through other comprehensive income: gross value and write-downs

	Gross value					Write-downs				Total partial write-offs*
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Purchased or originated credit- impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	
Debt securities	10,995	2	-	-	-	1	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
<b>Total 30/06/2025</b>	<b>10,995</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total 31/12/2024</b>	<b>9,744</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Value to be displayed for information purposes

The division by stage of risk of financial assets measured at fair value through other comprehensive income is applied in compliance with the provisions of the impairment model in application of IFRS 9.

For more detailed information, please refer to Part A – Accounting policies in paragraph "15.5 Methods of recognition of impairment losses" and Part E – Information on risks and related hedging policies.

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

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

TYPE OF TRANSACTIONS/ VALUES	Total 30/06/2025						Total 31/12/2024					
	Book value			Fair value			Book value			Fair value		
	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
<b>A. LOANS TO CENTRAL BANKS</b>	<b>583</b>	-	-	-	-	<b>583</b>	<b>637</b>	-	-	-	-	<b>637</b>
1. Fixed-term deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserve	583	-	-	X	X	X	637	-	-	X	X	X
3. Repos	-	-	-	X	X	X	-	-	-	X	X	X
4. Others	-	-	-	X	X	X	-	-	-	X	X	X
<b>B. LOANS TO BANKS</b>	<b>579</b>	-	-	<b>263</b>	<b>159</b>	<b>134</b>	<b>460</b>	-	-	<b>356</b>	<b>45</b>	<b>33</b>
<b>1. Loans</b>	<b>134</b>	-	-	-	-	<b>134</b>	<b>33</b>	-	-	-	-	<b>33</b>
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Fixed-term deposits	18	-	-	X	X	X	14	-	-	X	X	X
1.3. Other loans:	116	-	-	X	X	X	19	-	-	X	X	X
- Repos receivables	102	-	-	X	X	X	-	-	-	X	X	X
- Financing for leases	-	-	-	X	X	X	-	-	-	X	X	X
- Others	14	-	-	X	X	X	19	-	-	X	X	X
<b>2. Debt securities</b>	<b>445</b>	-	-	<b>263</b>	<b>159</b>	-	<b>427</b>	-	-	<b>356</b>	<b>45</b>	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	445	-	-	263	159	-	427	-	-	356	45	-
<b>Total</b>	<b>1,162</b>	-	-	<b>263</b>	<b>159</b>	<b>717</b>	<b>1,097</b>	-	-	<b>356</b>	<b>45</b>	<b>670</b>

#### KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

The increase in the item "Repos receivables" is attributable to lending operations carried out by the Parent Company with banking counterparties of excellent standing.

## 4.2 Financial assets measured at amortised cost: breakdown by category of loans to customers

TYPE OF TRANSACTIONS/ VALUES	Total 30/06/2025						Total 31/12/2024					
	Book value			Fair value			Book value			Fair value		
	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
<b>1. LOANS</b>	<b>49,295</b>	<b>356</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>49,855</b>	<b>48,223</b>	<b>341</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>49,231</b>
1.1. Current accounts	3,760	37	-	X	X	X	3,653	34	-	X	X	X
1.2. Repos receivables	-	-	-	X	X	X	-	-	-	X	X	X
1.3. Mortgage loans	39,119	286	13	X	X	X	38,456	272	11	X	X	X
1.4. Credit cards, personal loans and salary-backed loans	1,316	7	-	X	X	X	1,253	6	-	X	X	X
1.5. Financing for leases	903	7	-	X	X	X	900	10	-	X	X	X
1.6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
1.7. Other loans	4,197	19	1	X	X	X	3,961	19	1	X	X	X
<b>2. DEBT SECURITIES</b>	<b>23,357</b>	<b>-</b>	<b>-</b>	<b>22,745</b>	<b>394</b>	<b>132</b>	<b>21,792</b>	<b>-</b>	<b>-</b>	<b>21,278</b>	<b>30</b>	<b>148</b>
1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2. Other debt securities	23,357	-	-	22,745	394	132	21,792	-	-	21,278	30	148
<b>Total</b>	<b>72,652</b>	<b>356</b>	<b>14</b>	<b>22,745</b>	<b>394</b>	<b>49,987</b>	<b>70,015</b>	<b>341</b>	<b>12</b>	<b>21,278</b>	<b>30</b>	<b>49,379</b>

### KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

Loans to customers are shown net of value adjustments from write-downs. Impaired assets include the impaired loans, unlikely to pay and past due exposures according to Bank of Italy Circular no. 272 of 30 July 2008 and subsequent updates. Details of these exposures, the amounts and the breakdown of the value adjustments, are shown in Part E of the Explanatory Notes – Credit quality. The fair value of short-term or revocable receivables was conventionally assumed to be equal to the book value.

For impaired positions, the fair value was deemed to be equal to the net book value, on the basis of the considerations set out in Part A, section A.4 - Information on fair value, to which reference is made.

The item “2.2. Other debt securities” includes senior securities relating to securitisation transactions for approximately EUR 108 million classified at fair value level 3.

Loans to customers include loans from third-party funds under administration with risk borne by the Group amounting to approximately EUR 365 million.

Performing exposures to customers consisted mainly of mortgage loans, which amounted to EUR 39,119 million and accounted for approximately 79 % of loans to customers, other loans of EUR 4,197 million and current accounts receivable of EUR 3,760 million.



## 4.4 Financial assets measured at amortised cost: gross value and write-downs

	Gross value					Write-downs				Total partial write-offs*
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Debt securities	23,777	68	71	-	-	3	43	-	-	-
Loans	46,362	-	4,257	1,753	24	193	414	1,397	10	249
<b>Total 30/06/2025</b>	<b>70,139</b>	<b>68</b>	<b>4,328</b>	<b>1,753</b>	<b>24</b>	<b>196</b>	<b>457</b>	<b>1,397</b>	<b>10</b>	<b>249</b>
<b>Total 31/12/2024</b>	<b>67,067</b>	<b>78</b>	<b>4,722</b>	<b>1,785</b>	<b>21</b>	<b>192</b>	<b>485</b>	<b>1,444</b>	<b>9</b>	<b>269</b>

Value to be displayed for information purposes

The division by stage of risk of financial assets measured at amortised cost is applied in compliance with the provisions of the impairment model in application of IFRS 9.

For more detailed information, please refer to Part A – Accounting policies in paragraph “15.5 Methods of recognition of impairment losses” and Part E – Information on risks and related hedging policies.

At 30 June 2025, loans that constitute new liquidity granted through public guarantee mechanisms issued in the context of COVID-19 amounted to a total of EUR 2,628 million and are broken down as follows:

	Gross value				Write-downs			
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired
Newly originated loans	2,278	315	164	2	10	21	99	1
<b>Total 30/06/2025</b>	<b>2,278</b>	<b>315</b>	<b>164</b>	<b>2</b>	<b>10</b>	<b>21</b>	<b>99</b>	<b>1</b>
<b>Total 31/12/2024</b>	<b>2,821</b>	<b>372</b>	<b>169</b>	<b>2</b>	<b>12</b>	<b>25</b>	<b>108</b>	<b>1</b>

## Section 7 – Equity investments – Item 70

This section includes the equity investments in companies under joint control or subject to a significant influence (IAS 28 and IFRS 11).

At the end of the reporting period, the value of the equity investments amounted to EUR 50 million, relating:

- to “significant” equity investments totalling EUR 36 million (as represented in the following table 7.2);
- to “insignificant” equity investments totalling EUR 14 million.

The scope of ‘significant equity investments’ was determined by considering the materiality of the book value of the investment and the share of the investee’s assets with respect to the homogeneous balances relating to the current financial statements.

## 7.1 Equity investments: information on type of relationship

NAME	Registered office	Operating headquarters	Relationship type*	Investment relationship		% Votes available
				Investing company	% share	
A. JOINTLY CONTROLLED COMPANIES						
FRONTE PARCO IMMOBILIARE S.r.l.	Bologna	Bologna	7	BANCA DI BOLOGNA CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	50.00	50.00
FEDERAZIONE DELLE BCC DEL FRIULI VENEZIA GIULIA S.r.l.	Udine	Udine	7	BANCA 360 CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	24.26	12.50
				PRIMACASSA - CREDITO COOPERATIVO FVG - SOCIETÀ COOPERATIVA	15.68	12.50
				CREDITO COOPERATIVO - CASSA RURALE ED ARTIGIANA DEL FRIULI VENEZIA GIULIA - SOCIETÀ COOPERATIVA	10.25	12.50
				ZKB CREDITO COOPERATIVO DI TRIESTE E GORIZIA SOCIETÀ COOPERATIVA	9.12	12.50
				TOTAL	59.31	50.00
B. COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE						
LE CUPOLE S.r.l.	Manerbio (BS)	Manerbio (BS)	4	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	22.00	22.00
FINANZIARIA TRENTINA DELLA COOPERAZIONE S.p.A.	Trento	Trento	4	BANCA PER IL TRENTINO ALTO ADIGE – BANK FÜR TRENTINO-SÜDTIROL – CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	8.49	8.49
				CASSA RURALE ALTOGARDA – ROVERETO BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	7.22	7.22
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	7.18	7.18
				CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	4.08	4.08
				CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.78	3.78
				FPB CASSA DI FASSA PRIMIERO BELLUNO BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.27	3.27
				LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - SOCIETÀ COOPERATIVA	3.14	3.14
				CASSA RURALE VAL DI Fiemme - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	3.12	3.12
				CASSA RURALE VALSUGANA E TESINO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.88	2.88
				OTHER MINORITY INTERESTS	4.35	4.35
				TOTAL	47.51	47.51

NAME	Registered office	Operating headquarters	Relationship type*	Investment relationship		% Votes available
				Investing company	% share	
PARTECIPAZIONI COOPERATIVE S.r.l.	Trento	Trento	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	13.92	13.92
				BANCA PER IL TRENTINO ALTO ADIGE – BANK FÜR TRENTINO-SÜDTIROL – CREDITO COOPERATIVO ITALIANO - SOCIETÀ COOPERATIVA	7.89	7.89
				CASSA RURALE ALTOGARDA – ROVERETO BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	5.80	5.80
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	5.10	5.10
				CASSA RURALE VAL DI NON - ROTALIANA E GIOVO - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.18	4.18
				FPB CASSA DI FASSA PRIMIERO BELLUNO BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.32	2.32
				CASSA RURALE VALLAGARINA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	2.09	2.09
				OTHER MINORITY INTERESTS	6.49	6.49
				<b>TOTAL</b>	<b>47.79</b>	<b>47.79</b>
SERENA S.r.l.	Manzano (UD)	Manzano (UD)	4	BANCA 360 CREDITO COOPERATIVO FVG SOCIETÀ COOPERATIVA	29.05	29.05
RITTNERHORN SEILBAHNEN AG	Renon (BZ)	Renon (BZ)	4	CASSA RURALE RENON SOCIETÀ COOPERATIVA	23.97	23.97
SENIO ENERGIA S.r.l., IN LIQUIDATION	Faenza (RA)	Faenza (RA)	4	BANCA DI CREDITO COOPERATIVO DELLA ROMAGNA OCCIDENTALE - SOCIETÀ COOPERATIVA	22.22	22.22
RENDENA GOLF S.p.A.	Bocenago (TN)	Bocenago (TN)	4	LA CASSA RURALE - CREDITO COOPERATIVO ADAMELLO GIUDICARIE VALSABBIA PAGANELLA - SOCIETÀ COOPERATIVA	26.67	22.03
SCOUTING S.p.A.	Bellaria - Igea Marina (RN)	Bellaria - Igea Marina (RN)	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	8.26	8.26
				ROMAGNABANCA CREDITO COOPERATIVO ROMAGNA EST E SALA DI CESENATICO S.C.	6.29	6.29
				CASSA RURALE ALTA VALSUGANA - BANCA DI CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	6.29	6.29
				BANCA PREALPI SANBIAGIO CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.88	4.88
				BANCA MALATESTIANA - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	4.65	4.65
				<b>TOTAL</b>	<b>30.37</b>	<b>30.37</b>

NAME	Registered office	Operating headquarters	Relationship type*	Investment relationship		% Votes available
				Investing company	% share	
CABEL HOLDING S.p.A.	Empoli (FI)	Empoli (FI)	4	CASTAGNETO BANCA 1910 - CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA	19.50	19.50
				CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	7.66	7.66
				BANCA LAZIO NORD CREDITO COOPERATIVO - SOCIETÀ COOPERATIVA PER AZIONI	2.01	2.01
				<b>TOTAL</b>	<b>29.17</b>	<b>29.17</b>
SERVIZI E FINANZA FVG S.r.l.	Udine	Udine	4	CASSA CENTRALE BANCA - CREDITO COOPERATIVO ITALIANO SOCIETÀ PER AZIONI	26.99	26.99
CONNESSIONI - IMPRESA SOCIALE S.r.l.	Brescia	Brescia	4	CASSA PADANA BANCA DI CREDITO COOPERATIVO SOCIETÀ COOPERATIVA	30.00	30.00
DISTRETTO RURALE TERRE BASILIANE DEL CILENTO S.c.a.r.l	Futani (SA)	Futani (SA)	4	BANCA DI CREDITO COOPERATIVO DI AQUARA SOCIETÀ COOPERATIVA	20.69	20.69

\*Relationship type:

- 1 - majority of voting rights in the ordinary shareholders' meeting
- 2 - dominant influence in the ordinary shareholders' meeting
- 3 - agreements with other shareholders
- 4 - company subject to a significant influence
- 5 - unitary management pursuant to Article 26, paragraph 1, of "Legislative Decree no. 87/92"
- 6 - unitary management pursuant to Article 26, paragraph 2, of "Legislative Decree no. 87/92"
- 7 - joint ventures
- 8 - other type of relationship.

For the criteria and methods of determination of the consolidation scope and the reasons for which there is recourse to joint control or significant influence, please refer to Part A - Accounting policies of these Explanatory Notes.

## 7.2 Significant equity investments: book value, fair value and dividends received

NAME	BOOK VALUE	FAIR VALUE	DIVIDENDS RECEIVED
<b>A. JOINTLY CONTROLLED COMPANIES</b>			
FEDERAZIONE DELLE BCC DEL FRIULI VENEZIA GIULIA S.r.l.	3	-	-
<b>B. COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE</b>			
CABEL HOLDING S.p.A.	8	-	-
FINANZIARIA TRENTINA DELLA COOPERAZIONE S.p.A.	7	-	-
ASSICURA S.r.l.	7	-	-
CENTRALE SOLUZIONI IMMOBILIARI S.r.l. IN LIQUIDATION	6	-	-
CASSA RURALE ALTA VALSUGANA SOLUZIONI IMMOBILIARI	5	-	-
<b>Total</b>	<b>36</b>	<b>-</b>	<b>-</b>

It should be noted that Assicura S.r.l., Centrale Soluzioni Immobiliari S.r.l. in Liquidation and Cassa Rurale Alta Valsugana Soluzioni Immobiliari S.r.l. are controlling equity interests consolidated at equity due to materiality limits.

## Section 9 – Tangible assets – Item 90

### 9.1 Tangible assets for business use: breakdown of the assets measured at cost

ASSETS/VALUES	Total 30/06/2025	Total 31/12/2024
<b>1. ASSETS OWNED</b>	<b>968</b>	<b>961</b>
a) land	150	151
b) buildings	642	640
c) furniture	57	58
d) electronic systems	50	44
e) other	69	68
<b>2. RIGHTS OF USE ACQUIRED THROUGH LEASE</b>	<b>179</b>	<b>170</b>
a) land	3	3
b) buildings	169	159
c) furniture	-	-
d) electronic systems	-	1
e) other	7	7
<b>Total</b>	<b>1,147</b>	<b>1,131</b>
of which: obtained through the enforcement of guarantees received	5	5

The increase in item “2 b) buildings” mainly refers to the signing of new lease contracts by Allitude (approximately EUR 3 million) and by some Affiliated Banks (approximately EUR 6 million).

### 9.2 Tangible assets held for investment purposes: breakdown of the assets measured at cost

ASSETS/VALUES	Total 30/06/2025				Total 31/12/2024			
	Book value	Fair value			Book value	Fair value		
		L1	L2	L3		L1	L2	L3
<b>1. ASSETS OWNED</b>	<b>83</b>	-	-	<b>97</b>	<b>85</b>	-	-	<b>100</b>
a) land	25	-	-	30	26	-	-	29
b) buildings	58	-	-	67	59	-	-	71
<b>2. RIGHTS OF USE ACQUIRED THROUGH LEASE</b>	<b>1</b>	-	-	<b>1</b>	<b>1</b>	-	-	<b>1</b>
a) land	-	-	-	-	-	-	-	-
b) buildings	1	-	-	1	1	-	-	1
<b>Total</b>	<b>84</b>	-	-	<b>98</b>	<b>86</b>	-	-	<b>101</b>
of which: obtained through the enforcement of guarantees received	23	-	-	27	25	-	-	30

#### KEY:

L1 = Level 1

L2 = Level 2

L3 = Level 3

### 9.3 Tangible assets for business use: breakdown of the revalued assets

At the reporting date of these financial statements, there are tangible assets for business use measured at fair value for a residual amount. Thus, the compilation of the envisaged table is omitted.

### 9.4 Tangible assets held for investment purposes: breakdown of the assets designated at fair value

ASSETS/VALUES	Total 30/06/2025			Total 31/12/2024		
	L1	L2	L3	L1	L2	L3
<b>1. ASSETS OWNED</b>	-	-	9	-	-	9
a) land	-	-	1	-	-	1
b) buildings	-	-	8	-	-	8
<b>2. RIGHTS OF USE ACQUIRED THROUGH LEASE</b>	-	-	-	-	-	-
a) land	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-
<b>Total</b>	-	-	9	-	-	9
of which: obtained through the enforcement of guarantees received	-	-	-	-	-	-

**KEY:**

L1 = Level 1

L2 = Level 2

L3 = Level 3

### 9.5 Inventories of tangible assets disciplined by IAS 2: breakdown

ASSETS/VALUES	Total 30/06/2025	Total 31/12/2024
<b>1. INVENTORIES OF ASSETS OBTAINED THROUGH THE ENFORCEMENT OF GUARANTEES RECEIVED</b>	<b>13</b>	<b>16</b>
a) land	10	13
b) buildings	3	3
c) furniture	-	-
d) electronic systems	-	-
e) other	-	-
<b>2. OTHER INVENTORIES OF TANGIBLE ASSETS</b>	<b>1</b>	<b>-</b>
<b>Total</b>	<b>14</b>	<b>16</b>
of which: measured at fair value net of costs to sell	-	-

## Section 10 – Intangible assets – Item 100

### 10.1 Intangible assets: breakdown by type of asset

ASSETS/VALUES	Total 30/06/2025		Total 31/12/2024	
	Definite useful life	Indefinite useful life	Definite useful life	Indefinite useful life
<b>A.1 GOODWILL</b>	<b>X</b>	<b>27</b>	<b>X</b>	<b>27</b>
A.1.1 pertaining to the Group	X	27	X	27
A.1.2. pertaining to minority interests	X	-	X	-
<b>A.2 OTHER INTANGIBLE ASSETS</b>	<b>85</b>	<b>-</b>	<b>81</b>	<b>-</b>
of which: software	80	-	75	-
A.2.1 Assets measured at cost:	85	-	81	-
a) Intangible assets generated internally	1	-	1	-
b) Other assets	84	-	80	-
A.2.2 Assets designated at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
<b>Total</b>	<b>85</b>	<b>27</b>	<b>81</b>	<b>27</b>

In compliance with the relevant accounting regulations:

- all the intangible assets are measured at cost;
- no amortisation has been calculated for intangible assets with an indefinite useful life.

### Disclosure on impairment test on goodwill

#### Identification of Cash Generating Units (CGUs)

According to IAS 36, if, as in the case of goodwill, it is not possible to determine directly the recoverable amount of the specific asset recorded in the financial statements (because the asset itself does not produce autonomous cash flows), the recoverable amount of the cash generating unit (CGU) to which the asset belongs must be determined.

The CGU is defined by IAS 36 as “the smallest identifiable group of assets that generates cash inflows largely independent of cash inflows from other assets, or groups of assets”.

In order to identify the cash generating units to which to assign the assets to be tested for impairment, it is necessary that the identified CGUs generate cash inflows that are largely independent of those deriving from other identified units. In this sense, with a view to identifying the CGUs, the internal organisation and the management and control methods of the business are extremely important.

In relation to the above, the following CGUs have been identified for the purpose of impairment testing of the Cassa Centrale Group’s consolidated goodwill:

**Asset management**, which includes the asset management services currently provided by the Luxembourg-based company NEAM;

**Insurance**, which includes the offer of insurance services to customers and corresponds to the sum of the subsidiaries Assicura Agenzia S.r.l. and Assicura Broker S.r.l. (hereinafter also “Assicura”).

## Considerations on the condensed consolidated half-yearly financial statements as at 30 June 2025

As provided for by IAS 36 Impairment of Assets, goodwill is subject to impairment testing at least once a year.

When preparing the financial statements as at 30 June 2025, and in accordance with IAS 36, the Cassa Centrale Group performed an analysis of impairment indicators on equity investments, goodwill and intangible assets with a finite useful life.

In summary, the analysis did not reveal the need to perform an impairment test for the consolidated half-yearly financial statements as at 30 June 2025.

Therefore, the impairment test will be carried out at the time of the 2025 annual financial statements, i.e. 12 months after the previous impairment test, in compliance with the maximum time horizon envisaged by international accounting standards.

## Section 11 – Tax assets and tax liabilities – Item 110 of assets and item 60 of liabilities

### 11.1 Deferred tax assets: breakdown

THROUGH THE INCOME STATEMENT	30/06/2025		
	IRES	IRAP	TOTAL
Loans	137	20	157
Tangible fixed assets	14	1	15
Provisions for risks and charges	68	9	77
Tax losses	6	-	6
Administrative expenses	-	-	-
Other items	15	3	18
<b>Total</b>	<b>240</b>	<b>33</b>	<b>273</b>

THROUGH EQUITY	30/06/2025		
	IRES	IRAP	TOTAL
Negative reserves for HTCS financial assets	18	4	22
Provision for severance indemnity	-	-	-
Other items	-	-	-
<b>Total</b>	<b>18</b>	<b>4</b>	<b>22</b>

The item "Loans" in the table above shows "Deferred Tax Assets" (or "DTA") mainly relating to:

- write-downs and losses on loans to customers not yet deducted from taxable income pursuant to paragraph 3 of art.106 of the Consolidated Income Tax Act (TUIR) and art. 6, paragraph 1, letter c-bis) of IRAP Decree no. 446/1997 that may be converted into a tax credit, regardless of the future profitability of the company, both in the event of statutory loss and IRES tax loss or negative IRAP value of production pursuant to Law no.214 of 22 December 2011 (known as "Qualified DTAs") of EUR 146 million. Art. 1, paragraphs 49-51 of Law no. 213 of 30 December 2023 restructures the multi-year plan for the recovery of value adjustments on loans not yet deducted until 31 December 2015. This plan is also associated with the review of the time frame for cancellation of the related deferred taxes;
- adjustments from the expected credit loss (ECL) model in IFRS 9 FTA on loans to customers that cannot be converted into a tax credit and can therefore only be recognised in the presence of probable and sufficient future taxable income of EUR 11 million (Article 1, paragraphs 1067-1069, Law no. 145 of 30 December 2018). Advance taxes, where recognised, correspond to the future benefit relating to the deductibility in subsequent years of the reserve for first-time appli-



cation of IFRS 9 relating to expected losses recognised on loans to customers. Art. 1, paragraph 17 of Law no. 207 of 30 December 2024 restructures the multi-year plan for the recovery of residual value adjustments on loans not deducted as at 31 December 2018.

The “other items” in the table above include deferred tax assets arising from misalignments between statutory and tax items arising from IFRS 3 business combinations for EUR 4 million.

It should be noted that, with specific reference to the aforementioned qualified DTAs on write-downs and losses on loans to customers and goodwill, the maintenance of their convertibility into tax credits is subject to the payment of the fee, where due, pursuant to Law Decree no. 59 of 3 May 2016, amended and converted into law by Law no. 15 of 17 February 2017.

In addition, it should be noted that the tax regulations relating to the convertibility of advance taxes relating to adjustments to loans, goodwill and intangible assets into tax credits, in giving “certainty” to the recovery of qualified DTAs, affect the “probability test” provided for by IAS 12, making it automatically satisfied for this particular type.

Deferred tax assets as a contra-entry to equity refer to negative valuations of financial assets measured at fair value through other comprehensive income. These changes have a contra-entry in the valuation reserve for financial assets measured at fair value through other comprehensive income.

## 11.2 Deferred tax liabilities: breakdown

THROUGH THE INCOME STATEMENT	30/06/2025		
	IRES	IRAP	TOTAL
Tangible fixed assets	2	-	2
Capital gains by instalments	-	-	-
Other items	5	-	5
<b>Total</b>	<b>7</b>	<b>-</b>	<b>7</b>

THROUGH EQUITY	30/06/2025		
	IRES	IRAP	TOTAL
Positive reserves for HTCS financial assets	43	10	53
Other items	-	-	-
<b>Total</b>	<b>43</b>	<b>10</b>	<b>53</b>

Deferred tax liabilities as a contra-entry to the income statement mainly relate to:

- misalignments between statutory and tax items arising from the application of business combinations pursuant to IFRS 3 carried out in previous years;
- revaluations of tangible fixed assets made during the transition to international accounting standards.

Deferred taxes as a contra-entry to equity refer to revaluations of financial assets measured at fair value through other comprehensive income. These changes have a contra-entry in the valuation reserve for financial assets measured at fair value through other comprehensive income.

## Information on the deferred tax assets probability test

According to paragraph 5 of IAS 12, deferred tax assets are defined as the amount of income taxes for the year that may be recovered in future years with regard to the following scenarios:

- deductible temporary differences;
- carry-over of tax losses.

With particular reference to “temporary differences”, these are defined as differences that are formed transiently between the book value of assets (liabilities) and their tax value. These are defined as “deductible” when they generate amounts that can be deducted in determining future taxable income in connection with the realisation of assets (settlement of liabilities).

In the presence of a deductible temporary difference, paragraph 24 of IAS 12 provides for the recognition in the financial statements of a deferred tax asset – equal to the product of the deductible temporary difference and the expected tax rate in the year in which it will be paid – only if and to the extent that it is probable that there will be future taxable income against which the deductible temporary differences can be used (so-called probability test). In fact, the economic benefit of reducing future tax payments is only achievable if the taxable income is a large amount (IAS 12, para. 27).

Tax assets are measured at the tax rates that are expected to be applicable in the year in which they arise. They are periodically tested to determine the degree of recoverability and level of the applicable tax rates, as well as whether assets not recognised or derecognised due to lack of requirements in previous years should be reassessed.

In carrying out the Probability Test on deferred tax assets recognised in income statement to the financial statements, those deriving from deductible temporary differences were considered separately to those related to write-downs and losses on loans to customers (so-called “qualified deferred tax assets” – Law no. 214/2011) that may be converted into tax credits and amounting to EUR 146 million. Starting from the tax period ended 31 December 2011, deferred tax assets (IRES) recorded in the financial statements are converted into tax credits upon the realisation of operating losses, as well as upon the realisation of tax losses deriving from the deferred deduction of temporary differences relating to the aforementioned adjustments to the value of loans to customers (article 2, paragraph 56-bis of Decree Law no. 225 of 29 December 2010, introduced by art. 9 of Decree Law no. 201 of 6 December 2011). Starting from the 2013 tax year, a similar conversion is established, if the IRAP return shows a negative net value of production, related to the deferred tax assets (IRAP) referring to the aforementioned temporary differences that contributed to the determination of the negative net value of production (art. 2, paragraph 56-bis.1, Decree Law no. 225 of 29 December 2010, introduced by Law no. 147/2013). The convertibility of deferred tax assets on IRES tax losses and on the negative net value of production for IRAP purposes, determined by the aforementioned qualified temporary differences, is therefore a sufficient condition for recognising these deferred tax assets in the financial statements, implicitly making the relative Probability Test passed.

According to these assumptions, deferred tax assets other than the qualified ones were recognised, distinguished for IRES and IRAP purposes by type and foreseeable timing of recovery and, on the basis of forecasts of future profitability, the capacity to absorb them was checked.

Having said this, the Group has deferred tax assets (DTA) of EUR 295 million in its balance sheet, of which 273 million recognised as a contra-entry to the income statement. Of these, EUR 146 million fall within the scope of Law no. 214/2011 and, therefore, for that already described, are considered “qualified” DTA (and therefore of certain recoverability).

With regard to the remaining portion of DTAs that cannot be converted into tax credits recognised as a contra-entry to the income statement, amounting to EUR 127 million, there are no critical elements based on the evidence resulting from the probability test.

# LIABILITIES

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

### 1.1 Financial liabilities measured at amortised cost: breakdown by category of due to banks

Type of transactions/Values	Total 30/06/2025				Total 31/12/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
<b>1. DUE TO CENTRAL BANKS</b>	<b>100</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>385</b>	<b>X</b>	<b>X</b>	<b>X</b>
<b>2. DUE TO BANKS</b>	<b>835</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>906</b>	<b>X</b>	<b>X</b>	<b>X</b>
2.1 Current accounts and deposits on demand	238	X	X	X	245	X	X	X
2.2 Fixed-term deposits	38	X	X	X	39	X	X	X
2.3 Loans	546	X	X	X	609	X	X	X
2.3.1 Repos payables	546	X	X	X	609	X	X	X
2.3.2 Others	-	X	X	X	-	X	X	X
2.4 Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Payables for leases	9	X	X	X	10	X	X	X
2.6 Other payables	4	X	X	X	3	X	X	X
<b>Total</b>	<b>935</b>	<b>-</b>	<b>-</b>	<b>935</b>	<b>1,291</b>	<b>-</b>	<b>-</b>	<b>1,291</b>

#### KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

The fair value valuation of the financial liabilities measured at amortised cost, included only for the purpose of fulfilling reporting requirements, is broken down into levels pursuant to the requirements set forth in IFRS 13 and depending on the characteristics and significance of the inputs used in the valuation process. For more details, please refer to Part A - Accounting policies, A.4 - Information on fair value in the Explanatory Notes.

Interbank funding of EUR 935 million decreased (EUR -356 million) compared to 31 December 2024, due to the further reduction in central bank funding.

## 1.2 Financial liabilities measured at amortised cost: breakdown by category of due to customers

TYPE OF TRANSACTIONS/VALUES	Total 30/06/2025				Total 31/12/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and deposits on demand	59,742	X	X	X	59,661	X	X	X
2. Fixed-term deposits	4,698	X	X	X	4,136	X	X	X
3. Loans	3,029	X	X	X	1,651	X	X	X
3.1 Repos payables	2,783	X	X	X	1,406	X	X	X
3.2 Others	246	X	X	X	245	X	X	X
4. Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5. Payables for leases	170	X	X	X	159	X	X	X
6. Other payables	796	X	X	X	702	X	X	X
<b>Total</b>	<b>68,435</b>	<b>-</b>	<b>-</b>	<b>68,435</b>	<b>66,309</b>	<b>-</b>	<b>-</b>	<b>66,309</b>

### KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

The sub-item “3.1 Repo payables” refers mainly to refinancing transactions on the market carried out by the Parent Company with the counterparty Euronext Clearing for approximately EUR 2,727 million.

The sub-item “6. Other payables” mainly includes debts for credit cards, cheques and third-party funds under administration of public bodies intended to disburse subsidised loans governed by specific regional legislation.

## 1.3 Financial liabilities measured at amortised cost: breakdown by category of debt securities in issue

TYPE OF SECURITIES/VALUES	Total 30/06/2025				Total 31/12/2024			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. SECURITIES								
1. bonds	1,087	521	581	-	1,021	542	493	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	1,087	521	581	-	1,021	542	493	-
2. other securities	5,958	-	-	5,958	5,957	-	-	5,957
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	5,958	-	-	5,958	5,957	-	-	5,957
Total	7,045	521	581	5,958	6,978	542	493	5,957

### KEY:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

This item includes issued securities measured at amortised cost. Securities that at the end of the reporting period are expired but still not repaid are included. The portion of own issue debt securities not yet placed with third parties is excluded.

The fair value valuation of the debt securities in issue in the table above, presented solely for the purpose of fulfilling reporting requirements, is broken down into levels pursuant to the requirements set forth in IFRS 13 and depending on the characteristics and significance of the inputs used in the valuation process. For more details, please refer to Part A - Accounting policies, A.4 - Information on fair value in the Explanatory Notes.

The sub-item "A.1.2 Bonds - other" contains securities issued to comply with the minimum requirement of eligible liabilities (MREL), for a value at the end of the reporting period equal to around EUR 719 million. Furthermore, during the first half of 2025 the second senior preferred green bond was placed, again for EUR 100 million, issued by Cassa Centrale Banca and entirely subscribed by third-party counterparties. As described, the increase was partially offset by the reduction mainly attributable to step-up bonds repaid at maturity.

Sub-item "A.2.2 Securities - other" mainly includes certificates of deposit.

## Section 2 – Financial liabilities held for trading – Item 20

### 2.1 Financial liabilities held for trading: breakdown by category

TYPE OF TRANSACTIONS/VALUES	Total 30/06/2025					Total 31/12/2024				
	NV	Fair Value			Fair Value*	NV	Fair Value			Fair Value*
		L1	L2	L3			L1	L2	L3	
A. CASH LIABILITIES										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	X	-	-	-	-	X
3.1 Bonds	-	-	-	-	X	-	-	-	-	X
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	X	-	-	-	-	X
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Others	-	-	-	-	X	-	-	-	-	X
Total (A)	-	-	-	-	-	-	-	-	-	-
B. DERIVATIVE INSTRUMENTS										
1. Financial derivatives	X	-	11	-	X	X	-	7	-	X
1.1 Trading	X	-	11	-	X	X	-	7	-	X
1.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Others	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	X	-	-	-	X	X	-	-	-	X
2.1 Trading	X	-	-	-	X	X	-	-	-	X
2.2 Connected to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Others	X	-	-	-	X	X	-	-	-	X
Total (B)	X	-	11	-	X	X	-	7	-	X
Total (A+B)	X	-	11	-	X	X	-	7	-	X

#### KEY:

NV = Nominal or notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

\*Fair value = Fair value calculated excluding the changes in value due to change in creditworthiness of the issuer with respect to the date of issue.

## Section 3 – Financial liabilities designated at fair value – Item 30

### 3.1 Financial liabilities designated at fair value: breakdown by category

TYPE OF TRANSACTION/VALUES	Total 30/06/2025					Total 31/12/2024				
	NV	Fair value			Fair value *	NV	Fair value			Fair value *
		L1	L2	L3			L1	L2	L3	
<b>1. DUE TO BANKS</b>	-	-	-	-	-	-	-	-	-	-
1.1 Structured	-	-	-	-	X	-	-	-	-	X
1.2 Others	-	-	-	-	X	-	-	-	-	X
of which:					-					
- commitments to disburse funds	-	X	X	X	X	-	X	X	X	X
- financial guarantees given	-	X	X	X	X	-	X	X	X	X
<b>2. DUE TO CUSTOMERS</b>	-	-	-	-	-	-	-	-	-	-
2.1 Structured	-	-	-	-	X	-	-	-	-	X
2.2 Others	-	-	-	-	X	-	-	-	-	X
of which:					-					
- commitments to disburse funds	-	X	X	X	X	-	X	X	X	X
- financial guarantees given	-	X	X	X	X	-	X	X	X	X
<b>3. DEBT SECURITIES</b>	-	-	-	-	-	1	-	1	-	1
3.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2 Others	-	-	-	-	X	1	-	1	-	X
<b>Total</b>	-	-	-	-	-	1	-	1	-	1

#### KEY:

NV = Nominal value

L1 = Level 1

L2 = Level 2

L3 = Level 3

\*Fair value = Fair value calculated excluding the changes in value due to change in creditworthiness of the issuer with respect to the date of issue.

This item includes the financial liabilities for which the so-called Fair Value Option has been exercised. In this regard, it should be noted that the aforementioned Fair Value Option was exercised mainly in relation to debt instruments containing an implicit derivative for which it was considered that the fair value measurement of the entire instrument was less costly than the separate measurement and presentation in the financial statements of the main instrument and derivative.

The illustration of the criteria to determine the fair value is reported in Part A – Accounting policies.

## Section 10 – Provisions for risks and charges – Item 100

### 10.1 Provisions for risks and charges: breakdown

ITEMS/COMPONENTS	Total 30/06/2025	Total 31/12/2024
1. Provision for credit risk relative to commitments and financial guarantees given	117	119
2. Provision for other commitments and guarantees given	-	-
3. Post-employment benefits	-	-
4. Other provisions for risks and charges	328	288
4.1 Legal and tax disputes	32	34
4.2 Personnel expenses	110	142
4.3 other	186	112
<b>Total</b>	<b>445</b>	<b>407</b>

The item “1. Provision for credit risk relative to commitments and financial guarantees given” includes the value of the total allocations for credit risk in respect of the commitments to disburse funds and financial guarantees given which are subject to the impairment rules of IFRS 9 (paragraph 2.1, letter e); paragraph 5.5; appendix A), including therein the financial guarantees given and the commitments to disburse funds which are measured at the first-time recognition value, net of the total revenues booked in compliance with IFRS 15 (see IFRS 9, paragraph 4.2.1, letters c) and d)).

The decrease in item “4.2 Other provisions for risks and charges - personnel expenses” is mainly attributable to personnel bonuses that, following the approval of the annual financial statements by the shareholders’ meetings, were paid to employees or, pending payment, were classified in Item 80 - Other liabilities.

The increase in item “4.3 Other provisions for risks and charges - Others” is mainly attributable to allocations made when the profit for the year was allocated to the provision for charity.

### Development of significant legal disputes

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

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

The same defendants, including Cassa Centrale Banca, were then sued in two further disputes by the shareholder Vittorio Malacalza and 42 other shareholders of Carige, with a claim for a further approximate total of EUR 11.4 million, plus revaluation and interest (subsequently reduced to approximately EUR 11.1 million), based on assumptions and arguments coinciding with those put forward by Malacalza Investimenti.

The three lawsuits, which were joined in a single proceeding, were settled with a judgement published on 26 November 2021.



The Court of Genoa rejected the claims for damages brought by Malacalza Investimenti S.r.l., Vittorio Malacalza and the other 42 shareholders and determined the validity of the resolution because (i) there was no violation of the principle of accounting parity, (ii) the exclusion of the shareholders' option right took place in the presence of a significant corporate interest, and (iii) the issue price of the new shares was determined in accordance with the criteria set out in the company's regulations.

The losing parties were ordered to pay the legal costs in favour of the defendants.

Malacalza Investimenti S.r.l., Malacalza Vittorio and only 5 small shareholders out of the initial 42 appealed against the judgement (with a reduction of the claims for damages, as regards the latter, from approximately EUR 8.4 million to EUR 84 thousand).

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

As a result of the assessments carried out with the support of solicitors and considering the risk of losing the case, Cassa Centrale Banca decided not to make provisions for risks and expenses in line with IAS 37 international accounting standard.

### Affiliated Banks

On 9 April 2024, a civil action was brought against Sicilbanca – Credito Cooperativo Italiano by a customer company, whose exposure was classified as non-performing, aimed at obtaining compensation for alleged damages, for a significant amount, deriving from the Bank's alleged unlawful conduct, for having had banking relations with the same customer. The Bank filed an appearance, rejecting the claims of the claimant on procedural and substantive grounds.

The proceedings are at the pre-trial stage.

As a result of the assessments carried out with the support of solicitors and considering the risk of losing the case, Cassa Centrale Banca decided not to make provisions for risks and expenses in line with IAS 37 international accounting standard.

## 10.3 Provision for credit risk relative to commitments and financial guarantees given

	Provision for credit risk relative to commitments and financial guarantees given				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired	Total
Commitments to disburse funds	60	11	12	-	83
Financial guarantees given	5	5	24	-	34
<b>Total</b>	<b>65</b>	<b>16</b>	<b>36</b>	<b>-</b>	<b>117</b>

As shown above, this table includes the value of the total allocations for credit risk in respect of the commitments to disburse funds and financial guarantees given which are subject to the impairment rules of IFRS 9, including therein the financial guarantees given and the commitments to disburse funds which are measured at the first-time recognition value, net of the total revenues booked in compliance with IFRS 15.

The breakdown of these provisions by risk stage is applied in accordance with the provisions of the IFRS 9 impairment model. For more detailed information, see Part A - Accounting policies, paragraph "15.5 Methods of recognition of impairment losses" and Part E - Information on risks and related hedging policies.

## Section 13 - Group equity - Items 120, 130, 140, 150, 160, 170 and 180

### 13.1 “Share Capital” and “Own shares”: breakdown

As described in Part A – Accounting Policies, Section 3 – Scope and methods of consolidation, in application of Law no. 145 of 30 December 2018 (so-called Budget Law 2019) the Parent Company Cassa Centrale Banca and the Affiliated Banks under the Cohesion Contract constitute a single consolidating entity.

In the composition of the Group’s equity, the share capital is consequently made up of the Parent Company’s share capital and the share capital of the Affiliated Banks.

The share capital of the Parent Company, equal to EUR 952,031,808, comprises 18,158,304 ordinary shares and 150,000 preference shares, both with a nominal value of EUR 52.

At the end of the reporting period, the capital of the Affiliated Banks belonging to the Cassa Centrale Group amounted to approximately EUR 329 million. The share capital of the Affiliated Banks is, according to their Articles of Association, variable, and consists of shares that can be issued, in principle, without limit.

As at 30 June 2025, the own shares in circulation amounted to approximately EUR 869 million and are mainly attributable to the shares of Cassa Centrale Banca held by the Affiliated Banks belonging to the Group.

## 13.2 Capital – Number of parent company shares: annual changes

ITEMS/TYPES	Ordinary	Other	Preference
<b>A. SHARES AT START OF YEAR</b>	<b>18,158,304</b>	<b>-</b>	<b>150,000</b>
- fully paid-up	18,158,304	-	150,000
- not fully paid-up	-	-	-
A.1 Own shares (-)	-	-	-
A.2 Outstanding shares: opening balances	18,158,304	-	150,000
<b>B. INCREASES</b>	<b>-</b>	<b>-</b>	<b>-</b>
B.1 New issues	-	-	-
- paid:	-	-	-
- business combinations	-	-	-
- bond conversions	-	-	-
- exercise of warrants	-	-	-
- other	-	-	-
- free of charge:	-	-	-
- in favour of employees	-	-	-
- in favour of directors	-	-	-
- other	-	-	-
B.2 Sale of own shares	-	-	-
B.3 Other changes	-	-	-
<b>C. DECREASES</b>	<b>-</b>	<b>-</b>	<b>-</b>
C.1 Cancellation	-	-	-
C.2 Purchase of own shares	-	-	-
C.3 Company transfers	-	-	-
C.4 Other changes	-	-	-
<b>D. SHARES OUTSTANDING: CLOSING BALANCES</b>	<b>18,158,304</b>	<b>-</b>	<b>150,000</b>
D.1 Own shares (+)	-	-	-
D.2 Shares at year-end	18,158,304	-	150,000
- fully paid-up	18,158,304	-	150,000
- not fully paid-up	-	-	-

# Other information

## 1. Commitments and financial guarantees given

	Nominal value of commitments and financial guarantees given				Total 30/06/2025	Total 31/12/2024
	Stage 1	Stage 2	Stage 3	Purchased or originated credit impaired		
<b>1. COMMITMENTS TO DISBURSE FUNDS</b>	<b>12,198</b>	<b>812</b>	<b>68</b>	<b>-</b>	<b>13,078</b>	<b>13,582</b>
a) Central Banks	-	-	-	-	-	-
b) Public administrations	249	28	-	-	277	296
c) Banks	321	-	-	-	321	798
d) Other financial corporations	486	1	1	-	488	477
e) Non-financial corporations	9,578	723	58	-	10,359	10,371
f) Households	1,564	60	9	-	1,633	1,640
<b>2. FINANCIAL GUARANTEES GIVEN</b>	<b>1,147</b>	<b>84</b>	<b>28</b>	<b>-</b>	<b>1,259</b>	<b>1,252</b>
a) Central Banks	-	-	-	-	-	-
b) Public administrations	4	-	-	-	4	4
c) Banks	-	-	-	-	-	-
d) Other financial corporations	31	-	1	-	32	33
e) Non-financial corporations	923	78	24	-	1,025	1,016
f) Households	189	6	3	-	198	199

This table shows the commitments to disburse funds and the financial guarantees given which are subject to the impairment rules of IFRS 9. Commitments to disburse funds and financial guarantees given that are considered derivatives are excluded, as are commitments to disburse funds and financial guarantees given that are measured at fair value.

“Commitments to disburse funds” are commitments that may give rise to credit risks that are subject to the write-down rules of IFRS 9 (e.g. margins available on credit lines granted to customers or banks).

# PART C - Information on the consolidated income statement

## Section 1 – Interest – Items 10 and 20

### 1.1 Interest income and similar revenues: breakdown

ITEMS/TECHNICAL FORMS	Debt securities	Loans	Other transactions	Total 30/06/2025	Total 30/06/2024
<b>1. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	-	-	-	-	1
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	-	-	-	-	1
<b>2. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME</b>	156	-	X	156	162
<b>3. FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>	340	1,006	-	1,346	1,507
3.1 Loans to banks	5	4	X	9	21
3.2 Loans to customers	335	1,002	X	1,337	1,486
<b>4. HEDGING DERIVATIVES</b>	X	X	6	6	11
<b>5. OTHER ASSETS</b>	X	X	49	49	50
<b>6. FINANCIAL LIABILITIES</b>	X	X	X	-	1
<b>Total</b>	<b>496</b>	<b>1,006</b>	<b>55</b>	<b>1,557</b>	<b>1,732</b>
of which: interest income on impaired financial assets	-	30	-	30	41
of which: interest income on financial leases	X	20	X	20	24

Item 3.2 “Financial assets measured at amortised cost - Loans to customers” decreased mainly due to the decreasing contribution of lending as a result of falling market rates. These factors resulted in total interest of EUR 1,337 million, a decrease of approximately EUR 149 million compared to the same period of the previous year.

Items “2. Financial assets measured at fair value through other comprehensive income” and “3. Financial assets measured at amortised cost” include interest income on debt securities for an amount of approximately EUR 496 million, mainly attributable to investments in securities by Central Governments for a countervalue of approximately EUR 18.2 billion, including EUR 878 million of “BTP ITALIA” government securities.

Item “5. Other assets” includes revenues from the purchase of tax credits.

The line “of which: interest income from impaired financial assets” shows interest determined on the basis of the effective interest rate, including interest due to the passage of time. This interest relates exclusively to loans to customers. Interest income also includes interest from securities used in repo transactions.

### 1.3 Interest expenses and similar charges paid: breakdown

ITEMS/ TECHNICAL FORMS	Payables	Securities	Other transactions	Total 30/06/2025	Total 30/06/2024
<b>1. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>	<b>(296)</b>	<b>(102)</b>	<b>X</b>	<b>(398)</b>	<b>(495)</b>
1.1 Due to central banks	(2)	X	X	(2)	(55)
1.2 Due to banks	(16)	X	X	(16)	(9)
1.3 Due to customers	(278)	X	X	(278)	(332)
1.4 Debt securities in issue	X	(102)	X	(102)	(99)
<b>2. FINANCIAL LIABILITIES HELD FOR TRADING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4. OTHER LIABILITIES AND PROVISIONS</b>	<b>X</b>	<b>X</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>5. HEDGING DERIVATIVES</b>	<b>X</b>	<b>X</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>6. FINANCIAL ASSETS</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>-</b>	<b>(2)</b>
<b>Total</b>	<b>(296)</b>	<b>(102)</b>	<b>-</b>	<b>(398)</b>	<b>(497)</b>
of which: interest expense on payables for leases	(2)	X	X	(2)	(1)

The reduction in interest expenses recorded in item “1.1 Due to central banks” compared to the previous period is attributable to the repayment of the ECB refinancing operations completed during the second half of 2024.

Items “1.2 Due to banks” and “1.3 Due to customers” also include interest on repos, even if carried out against securities recorded as assets.

The reduction in item “1.3 Due to customers” compared to the comparison period, as already shown for the item “Interest income”, was affected by the decrease in the rates applied.

Item “1.4 Debt securities in issue” includes the interest related to the bond issues as part of the “Minimum Requirement of Eligible Liabilities – MREL” programme and the certificates of deposit.

## Section 2 – Fees and Commissions – Items 40 and 50

### 2.1 Fees and commissions income: breakdown

TYPE OF SERVICES/VALUES	Total 30/06/2025	Total 30/06/2024
a) Financial instruments	81	80
1. Placement of securities	-	-
1.1 With direct underwriting and/or on a firm commitment basis	-	-
1.2 Without a firm commitment basis	-	-
2. Order receipt and transmission and execution of orders on behalf of customers	14	13
2.1 Order receipt and transmission of one or more financial instruments	14	13
2.2. Execution of orders on behalf of customers	-	-
3. Other fees and commissions connected with activities related to financial instruments	67	67
of which: dealing for own account	-	-
of which: individual portfolio management	44	45
b) Corporate Finance	-	-
1. Advice on mergers and acquisitions	-	-
2. Treasury services	-	-
3. Other fees and commissions related to corporate finance services	-	-
c) Investment advisory activities	-	-
d) Offsetting and settlement	-	-
e) Collective portfolio management	45	40
f) Custody and administration	3	3
1. Custodian bank	-	-
2. Other fees and commissions related to custody and administration activities	3	3
g) Central administrative services for collective portfolio management	-	-
h) Trust business	-	-
i) Payment services	227	215
1. Current accounts	80	79
2. Credit cards	16	15
3. Debit and other payment cards	47	33
4. Bank transfers and other payment orders	25	26
5. Other fees and commissions related to payment services	59	62
j) Breakdown of third party services	56	51
1. Collective portfolio management	-	-
2. Insurance products	53	47
3. Other products	3	4
of which: individual portfolio management	-	-
k) Structured finance	-	-
l) Servicing activities for securitisation operations	-	-
m) Commitments to disburse funds	-	-
n) Financial guarantees given	9	8
of which: credit derivatives	-	-
o) Financing transactions	62	60
of which: for factoring operations	-	-
p) Foreign currency trading	1	1
q) Commodities	-	-
r) Other fees and commissions income	18	20
of which: activities for the management of multilateral trading systems	-	-
of which: for the management of organised trading systems	-	-
<b>Total</b>	<b>502</b>	<b>478</b>

The increase in the item “i) Payment services – 3. Debit and other payment cards” of EUR 14 million compared to 30 June 2024, includes the recognition of the extraordinary component relating to Worldline incentives (approximately EUR 6 million) and to Mastercard and Visa (approximately EUR 1.2 million).

At the end of the reporting period, the Group does not have significant amounts of fees and commissions income (other than the amounts included in the calculation of the effective interest rate) from financial assets not measured at fair value through profit or loss in accordance with IFRS 7, paragraph 20, letter c(i).

It should also be noted that the Group does not have significant amounts relating to revenues recognised during the year included in the opening balance of liabilities arising from contracts (IFRS 15, paragraph 116 b)).

With reference to the timing of recognition, it should be noted that the management fees are reported periodically in line with the execution of the performance obligation. Performance fees are accounted for when the uncertainties associated with the specific type of fee no longer exist, in line with what is indicated by IFRS 15, para. 56.

## 2.2 Fees and commissions expenses: breakdown

TYPE OF SERVICES/VALUES	Total 30/06/2025	Total 30/06/2024
a) Financial instruments	(8)	(12)
of which: trading of financial instruments	(1)	(1)
of which: placement of financial instruments	-	-
of which: individual portfolio management	(7)	(11)
- Own	(7)	(11)
- Delegated to third parties	-	-
b) Offsetting and settlement	-	-
c) Collective portfolio management	-	-
1. Own	-	-
2. Delegated to third parties	-	-
d) Custody and administration	(8)	(9)
e) Collection and payment services	(51)	(48)
of which: credit cards, debit cards and other payment cards	(43)	(42)
f) Servicing activities for securitisation operations	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	(1)	(1)
of which: credit derivatives	-	-
i) Out-of-branch offer of financial instruments, products and services	(4)	(4)
l) Foreign currency trading	-	-
m) Other fees and commissions expenses	(7)	(7)
<b>Total</b>	<b>(79)</b>	<b>(81)</b>

At the end of the reporting period, the Group does not have significant amounts of fees and commissions expenses (other than the amounts included in the calculation of the effective interest rate) arising from financial liabilities not measured at fair value through profit or loss (IFRS 7, paragraph 20, letter c (i)).



## Section 3 – Dividends and similar income – Item 70

### 3.1 Dividend and similar income: breakdown

ITEMS/INCOME	Total 30/06/2025		Total 30/06/2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	-	1	-	1
C. Financial assets measured at fair value through other comprehensive income	3	-	2	-
D. Equity investments	-	-	-	-
<b>Total</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>1</b>

## Section 4 – Net result from trading - Item 80

### 4.1 Net result from trading: breakdown

TRANSACTIONS/INCOME COMPONENTS	Capital gains	Profit on sale	Capital losses	Loss on sale	Net income
<b>1. FINANCIAL ASSETS HELD FOR TRADING</b>	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-
1.2 Equities	-	-	-	-	-
1.3 UCITS units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
<b>2. FINANCIAL LIABILITIES HELD FOR TRADING</b>	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
<b>3. FINANCIAL ASSETS AND LIABILITIES: EXCHANGE RATE DIFFERENCES</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>13</b>
<b>4. DERIVATIVE INSTRUMENTS</b>	<b>2</b>	<b>-</b>	<b>(2)</b>	<b>(1)</b>	<b>(10)</b>
4.1 Financial derivatives:	2	-	(2)	(1)	(10)
- On debt securities and interest rates	2	-	(2)	(1)	(1)
- On equities and stock market indices	-	-	-	-	-
- On currencies and gold	X	X	X	X	(9)
- Others	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected to the fair value option	X	X	X	X	-
<b>Total</b>	<b>2</b>	<b>-</b>	<b>(2)</b>	<b>(1)</b>	<b>3</b>

## Section 5 – Net result from hedging - Item 90

### 5.1 Net profit (loss) on hedge accounting: breakdown

INCOME COMPONENTS/VALUES	Total 30/06/2025	Total 30/06/2024
<b>A. INCOME RELATED TO:</b>		
A.1 Fair value hedging derivatives	16	13
A.2 Hedged financial assets (fair value)	3	3
A.3 Hedged financial liabilities (fair value)	-	-
A.4 Cash flow hedge derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
<b>Total income from hedging (A)</b>	<b>19</b>	<b>16</b>
<b>B. EXPENSES RELATED TO:</b>		
B.1 Fair value hedging derivatives	(2)	-
B.2 Hedged financial assets (fair value)	(18)	(16)
B.3 Hedged financial liabilities (fair value)	-	-
B.4 Cash flow hedge derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
<b>Total expenses from hedging (B)</b>	<b>(20)</b>	<b>(16)</b>
<b>C. NET RESULT FROM HEDGING (A - B)</b>	<b>(1)</b>	<b>-</b>
of which: result of net positions hedging	-	-

The Group avails itself of the possibility, provided for in the introduction of IFRS 9, to continue to apply in full the provisions of IAS 39 on hedge accounting (in the carved out version approved by the European Commission) for each type of hedge. As a consequence, in the table above, the row "of which: result of net positions hedging" provided for those who apply IFRS 9 also for hedging, is not valued.

## Section 6 - Profit (Loss) from disposal/repurchase - Item 100

### 6.1 Profit (loss) from disposal/repurchase: breakdown

ITEMS/INCOME COMPONENTS	Total 30/06/2025			Total 30/06/2024		
	Profit	Loss	Net income	Profit	Loss	Net income
<b>A. FINANCIAL ASSETS</b>						
1. Financial assets measured at amortised cost	13	(38)	(25)	13	(127)	(114)
1.1 Loans to banks	-	-	-	-	-	-
1.2 Loans to customers	13	(38)	(25)	13	(127)	(114)
2. Financial assets measured at fair value through other comprehensive income	20	(4)	16	6	(21)	(15)
2.1 Debt securities	17	(3)	14	4	(21)	(17)
2.2 Loans	3	(1)	2	2	-	2
<b>Total assets (A)</b>	<b>33</b>	<b>(42)</b>	<b>(9)</b>	<b>19</b>	<b>(148)</b>	<b>(129)</b>
<b>B. FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
<b>Total liabilities (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Item "1.2 Loans to customers" includes losses from disposal of debt securities, which decreased compared to the first half of 2024, mainly as a result of a more restrained repositioning of the securities portfolio aimed at redefining, within the scope of the planned diversification, the relative weights of the issuer counterparties and the duration of the securities portfolio.

## Section 7 - Net result of other financial assets and liabilities measured at fair value through profit or loss - Item 110

### 7.1 Net change in value on other financial assets and liabilities measured at fair value through profit or loss: breakdown of financial assets and liabilities measured at fair value

This table does not contain information deemed significant and therefore was not filled in.

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

TRANSACTIONS/INCOME COMPONENTS	Capital gains	Profit on sale	Capital losses	Loss on sale	Net income
<b>1. FINANCIAL ASSETS</b>	<b>11</b>	<b>2</b>	<b>(9)</b>	<b>(1)</b>	<b>3</b>
1.1 Debt securities	1	-	-	-	1
1.2 Equities	1	2	(1)	(1)	1
1.3 UCITS units	4	-	(5)	-	(1)
1.4 Loans	5	-	(3)	-	2
<b>2. FINANCIAL ASSETS: EXCHANGE RATE DIFFERENCES</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	<b>-</b>
<b>Total</b>	<b>11</b>	<b>2</b>	<b>(9)</b>	<b>(1)</b>	<b>3</b>

Trading profit (loss) and capital gains (losses) from valuations are reported with balances opened by type of financial instrument.

This item includes capital gains and losses that are derived from the fair value measurement of financial assets/liabilities that are classified in the portfolio under item 20.c of Assets.

## Section 8 - Net value adjustments/write-backs due to credit risk - Item 130

### 8.1 Net value adjustments due to credit risk relative to financial assets measured at amortised cost: breakdown

TRANSACTIONS/ INCOME COMPONENTS	Value adjustments (1)						Write-backs (2)				Total 30/06/2025	Total 30/06/2024
	Stage 1	Stage 2	Stage 3		Purchased or originated credit- impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired		
			Write-offs	Other	Write-offs	Other						
A. LOANS TO BANKS	(1)	-	-	-	-	-	-	-	-	-	(1)	1
- Loans	(1)	-	-	-	-	-	-	-	-	-	(1)	-
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	1
B. LOANS TO CUSTOMERS	(62)	(147)	(3)	(292)	-	(2)	66	193	285	2	40	35
- Loans	(61)	(147)	(3)	(292)	-	(2)	64	192	285	2	38	34
- Debt securities	(1)	-	-	-	-	-	2	1	-	-	2	1
Total	(63)	(147)	(3)	(292)	-	(2)	66	193	285	2	39	36

Value adjustments, reported under the column “Stage 3 – Other”, relate to analytical write-downs of loans, while those reported under the column “Stage 3 – Write offs” arise from redemption events. The write-backs, in the column “Stages 1 and 2”, correspond to the adjustments to performing positions.

Net value adjustments relating to loans to customers at 30 June 2025 recovered by approximately EUR 38 million, up slightly compared to the EUR 34 million in write-backs from the previous year at 30 June 2024. Despite the fact that conservative provision policies were maintained in the first half of 2025 and were, in any case, consistent with the provisions of IAS/IFRS accounting standards, hedging of impaired loans led to net write-backs on credit positions thanks above all to internal management and recovery, which the Affiliated Banks perform in accordance with a strategy aimed at constant support and proximity to customers.

The write-backs recorded also reflect the effects arising from the recalibration of the IFRS 9 model outlined in Part A of these Explanatory Notes, under the paragraph “Classification and measurement of loans to customers based on the general impairment model IFRS 9” in Section 5 - Other aspects, to which reference should be made for further details about the model.

For more detailed information pertaining to movements in net adjustments to loans, refer to Part E of these Explanatory Notes.

## 8.2 Net value adjustments due to credit risk relative to financial assets measured at fair value through other comprehensive income: breakdown

TRANSACTIONS/ INCOME COMPONENTS	Value adjustments (1)						Write-backs (2)				Total 30/06/2025	Total 30/06/2024
	Stage 1	Stage 2	Stage 3		Purchased or originated credit- impaired		Stage 1	Stage 2	Stage 3	Pur- chased or originated credit- im- paired		
			Write-offs	Other	Write-offs	Other						
A. DEBT SECURITIES	(1)	-	-	-	-	-	1	-	-	-	-	-
B. LOANS	-	-	-	-	-	-	-	-	-	-	-	-
- To customers	-	-	-	-	-	-	-	-	-	-	-	-
- To banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	(1)	-	-	-	-	-	1	-	-	-	-	-

## Section 12 – Administrative expenses – Item 190

### 12.1 Staff expenses: breakdown

TYPE OF EXPENSES/VALUES	Total 30/06/2025	Total 30/06/2024
<b>1) EMPLOYEES</b>	<b>(550)</b>	<b>(504)</b>
a) salaries and wages	(384)	(356)
b) social security contributions	(97)	(88)
c) severance indemnity	(19)	(17)
d) pension contributions	-	-
e) provision for severance indemnity	(4)	(3)
f) allocation to post-employment benefits:	-	-
- with defined contribution	-	-
- with defined benefit	-	-
g) payments to external supplementary post-employment benefits:	(17)	(15)
- with defined contribution	(17)	(15)
- with defined benefit	-	-
h) costs deriving from payment agreements based on own equity instruments	-	-
i) other employee benefits	(29)	(25)
<b>2) OTHER OPERATING PERSONNEL</b>	<b>(4)</b>	<b>(4)</b>
<b>3) DIRECTORS AND AUDITORS</b>	<b>(19)</b>	<b>(18)</b>
<b>4) RETIRED PERSONNEL</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(573)</b>	<b>(526)</b>

At 30 June 2025, staff expenses stood at EUR 573 million with an increase of EUR 47 million compared to June 2024. The increase in staff expenses is mainly attributable to the items "Salaries and wages" and "Social security contributions", totalling EUR 37 million, reflecting the increase in staffing levels and salary adjustments to the changed economic conditions, as of 1 July 2024, envisaged by the new National Collective Labour Agreement (CCNL) for cooperative credit employees.

## 12.5 Other administrative expenses: breakdown

ITEMS	Total 30/06/2025	Total 30/06/2024
<b>ICT expenses</b>	<b>(77)</b>	<b>(67)</b>
Outsourced ICT expenses	(30)	(20)
ICT expenses other than outsourced ICT expenses	(47)	(47)
<b>Taxes and levies (other)</b>	<b>(90)</b>	<b>(81)</b>
<b>Expenses for professional and consulting services</b>	<b>(68)</b>	<b>(68)</b>
<b>Advertising and entertainment expenses</b>	<b>(16)</b>	<b>(14)</b>
<b>Expenses related to debt collection</b>	<b>(8)</b>	<b>(9)</b>
<b>Litigation expenses not covered by allocations</b>	<b>-</b>	<b>-</b>
<b>Expenses for real estate</b>	<b>(16)</b>	<b>(14)</b>
<b>Lease fees</b>	<b>-</b>	<b>-</b>
<b>Other administrative expenses - Other</b>	<b>(120)</b>	<b>(136)</b>
of which: cash contributions to resolution funds and deposit guarantee systems	(11)	(36)
<b>Total administrative expenses</b>	<b>(395)</b>	<b>(389)</b>

Other administrative expenses, as at June 2025, amounted to EUR 395 million, an increase of approximately EUR 6 million compared to June 2024, mainly attributable to IT and professional expenses to support the Group's needs, in line with the investments envisaged in the Strategic Plan. In particular, the increase in ICT expenses for approximately EUR 10 million mainly relates to an increase in costs incurred by Allitude, associated with ordinary management and development activities, intended to ensure adequate support for the business needs of the Affiliated Banks and the Parent Company.

The item "Other administrative expenses - Other" decreased by approximately EUR 16 million. The change in this item is mainly attributable to the reduction of the DGS (Deposit Guarantee Scheme) contribution from EUR 36 million in 2024 to EUR 11 million in 2025.

The item "Lease fees" includes short-term rentals (contracts with a residual useful life of less than 12 months) and rentals relating to leases of modest value (less than EUR 5 thousand) for an insignificant amount.

## Section 13 - Net allocations to provisions for risks and expenses - Item 200

### 13.1 Net allocations for credit risk relative to commitments to disburse funds and financial guarantees given: breakdown

ITEMS	30/06/2025			30/06/2024		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Allocations			Allocations			
COMMITMENTS TO DISBURSE FUNDS						
Commitments to disburse funds	(5)	(7)	(10)	(4)	(7)	(14)
FINANCIAL GUARANTEES GIVEN						
Financial guarantee contracts	(2)	(2)	(3)	-	(1)	(6)
Total allocations (-)	(7)	(9)	(13)	(4)	(8)	(20)
Reallocations			Reallocations			
COMMITMENTS TO DISBURSE FUNDS						
Commitments to disburse funds	2	12	11	4	9	18
FINANCIAL GUARANTEES GIVEN						
Financial guarantee contracts	-	1	5	1	1	8
Total reallocations (+)	2	13	16	5	10	26
Net allocation			Net allocation			
Total	(5)	4	3	1	2	6

### 13.3 Net allocations to other provisions for risks and charges: breakdown

ITEMS	30/06/2025			30/06/2024		
	Allocations	Reallocations	Net total	Allocations	Reallocations	Net total
<b>ALLOCATIONS AND REALLOCATIONS TO OTHER PROVISIONS FOR RISKS AND CHARGES</b>						
1. for risks on revocatory actions	-	-	-	-	-	-
2. for charity	-	-	-	-	-	-
3. for personnel risks and charges	-	6	6	-	4	4
4. for legal and tax disputes	(2)	2	-	(2)	3	1
5. for other risks and charges	(1)	2	1	(1)	1	-
<b>Total</b>	<b>(3)</b>	<b>10</b>	<b>7</b>	<b>(3)</b>	<b>8</b>	<b>5</b>



## Section 14 - Net value adjustments/write-backs to tangible assets - Item 210

At the reporting date, net value adjustments on tangible assets amounted to EUR 62 million, compared to EUR 53 million in the first half of 2024. The increase in the item is attributable to higher amortisation related to the rights of use of the new offices in Rome and Milan, amounting to approximately EUR 1 million, and to the technological investments made by Allitude, amounting to approximately EUR 3 million.

## Section 15 - Net value adjustments/write-backs to intangible assets - Item 220

At the reporting date, net value adjustments on intangible assets amounted to EUR 12 million, compared to EUR 8 million in the first half of 2024.

## Section 16 - Other operating income/expenses - Item 230

### 16.1 Other operating expenses: breakdown

ITEMS	Total 30/06/2025	Total 30/06/2024
Amortisation of improvements to non-separable third-party assets	(3)	(3)
Expenses for treasury contracts with General Governments	-	-
Expenses for transactions and indemnities	-	(1)
Non-existent items and contingencies not ascribable to own items	(2)	(3)
Bonuses and rounding down	-	-
Other operating expenses - other	(3)	(1)
<b>Total other operating expenses</b>	<b>(8)</b>	<b>(8)</b>

### 16.2 Other operating income: breakdown

ITEMS	Total 30/06/2025	Total 30/06/2024
Recovery of taxes	81	71
Charges to third parties for costs on deposits and current accounts	2	2
Recovery of insurance premiums	-	1
Receivable rents and payments	3	1
Recovery of other expenses	6	6
Non-existent items and contingencies not ascribable to own items	5	5
Badwill from Purchase Price Allocation	-	-
Bonuses and rounding up	-	-
Other operating income - others	21	19
<b>Total other operating income</b>	<b>118</b>	<b>105</b>

At the end of the reporting period, the Group does not have significant amounts relating to revenues recognised during the year included in the opening balance of liabilities arising from contracts (IFRS 15 para. 116 b) and revenues recognised during the year arising from obligations fulfilled in previous years (IFRS 15 para. 116 c).

It should be noted that the following are not of significance for the Group:

- income from sublease of assets consisting of the right of use (IFRS 16, para. 53, letter f));
- income related to variable finance lease payments not included in the measurement of the net investment in the lease (IFRS 16, para. 90 letter a), iii));
- operating lease income arising from variable payments that are not dependent on an index or rate (IFRS 16, para. 90 letter b)).

## Section 17 - Profit/(Loss) on equity investments - Item 250

### 17.1 Profit (loss) on equity investments: breakdown

INCOME COMPONENT/SECTORS	Total 30/06/2025	Total 30/06/2024
<b>1) JOINTLY-CONTROLLED COMPANIES</b>		
<b>A. INCOME</b>	-	-
1. Revaluations	-	-
2. Gains from disposal	-	-
3. Write-backs	-	-
4. Other income	-	-
<b>B. EXPENSES</b>	-	-
1. Write-downs	-	-
2. Impairment losses	-	-
3. Losses from disposal	-	-
4. Other expenses	-	-
<b>Net income</b>	-	-
<b>2) COMPANIES SUBJECT TO A SIGNIFICANT INFLUENCE</b>		
<b>A. INCOME</b>	<b>1</b>	<b>1</b>
1. Revaluations	1	1
2. Gains from disposal	-	-
3. Write-backs	-	-
4. Other income	-	-
<b>B. EXPENSES</b>	<b>(1)</b>	<b>(4)</b>
1. Write-downs	(1)	(2)
2. Impairment losses	-	(2)
3. Losses from disposal	-	-
4. Other expenses	-	-
<b>Net income</b>	-	<b>(3)</b>
<b>Total</b>	-	<b>(3)</b>

## Section 25 – Earnings per share

### 25.1 Average number of ordinary shares with diluted capital

The information relating to this section is not reported in view of the particular characteristics of the Cassa Centrale Group.

# PART E - Information on risks and related hedging policies

## INTRODUCTION

The Group pays particular attention to risk management and governance and operates by ensuring the constant evolution of its organisational/procedural controls and methodological solutions used for measuring and monitoring. These activities are carried out with tools aimed at supporting effectively and efficiently the governance of risks process, also in response to changes in the reference operational and regulatory environment. As required by the regulations on the reform of cooperative credit, the outsourcing of control functions at the Parent Company by the Affiliated Banks of the Cooperative Banking Group is operational. It is therefore the task of the Parent Company to define the guidelines for risk measurement and management.

The risk management strategy is based on a holistic view of business risks and considers both the macroeconomic scenario and the individual risk profile, stimulating the growth of the risk control culture and reinforcing a transparent and accurate representation of risks. In this context, it should be noted, as a natural continuation of the process to strengthen the Group's process of identifying climate and environmental risks, that the outcomes of the impact assessments of climate-related and environmental factors in the short, medium and long term in the context in which the Group operates or could operate were formalised.

The risk assumption strategies are summarised in the Risk Appetite Framework (hereinafter also referred to as "RAF") adopted by the Board of Directors of the Parent Company, i.e. the reference framework that defines – consistently with the maximum risk that can be assumed, the business model and the strategic plan – the risk appetite, the tolerance thresholds, the risk limits, the risk management policies, the reference processes necessary to define and implement them. The RAF, introduced to ensure that risk-taking activities are in line with shareholders' expectations and comply with the overall regulatory and prudential framework of reference, is defined in light of the company's overall risk position and the economic/financial situation.

The framework is developed by the Parent Company and is divided into the following main areas:

- organisational, through (i) the definition of the tasks of the corporate bodies and functions involved in the RAF; (ii) the updating of organisational and governance documents with regard to the main risk profiles (credit and counterparty, concentration, interest rate, market, liquidity, operational) and references for the management of the related interrelationships (risk management policies, risk management process, internal processes for determining and assessing capital adequacy so-called ICAAP-ILAAP, strategic and operational planning, internal control system, incentive system, major operations, etc.) within a framework of overall consistency; (iii) the definition of the relevant information flows;
- methodological, through (i) the definition of indicators, of operational references for their evaluation and the setting of inherent thresholds; (ii) the declination of the objectives and indicators identified in the system of operational limits;
- application, through the reconnaissance of the areas of intervention on the application supports for risk management and supervisory processes (risk measurement, supervisory reporting, ICAAP-ILAAP, simulation/forecasting, alerting activities, reporting, etc.) and the definition of the functional requirements for the related development.

The framework defines both the general principles in terms of the company's risk appetite and the controls adopted with regard to the overall risk profile and the main specific risks.

The general principles that guide the Group's risk-taking strategy are set out below:

- the company's business model is focused on the traditional business of a commercial credit group, with a particular focus on financing small and medium-sized enterprises and households;
- the objective of the company's strategy is not to eliminate risks but to fully understand them in order to ensure their conscious assumption and management in order to guarantee the long-term solidity and continuity of the company;
- limited risk appetite; capital adequacy, income stability, solid liquidity position, attention to maintaining a positive corporate reputation, strong control over the main specific risks to which the company is exposed represent key elements on which the entire company's operations are based;
- formal and substantial compliance with the rules with the aim of not incurring sanctions and maintaining a solid relationship of trust with all company's stakeholders.

The RAF represents, therefore, the overall framework within which the overall management of the risks assumed is placed and the general principles of risk propensity are defined and the consequent articulation of the controls against the overall corporate risk and the main specific risks.

The overall risk profile is monitored by a structure of limits based on the need to ensure compliance with the required minimum levels of solvency, liquidity and profitability, even under stressful conditions.

In particular, overall risk management aims to maintain adequate levels of:

- capitalisation, with reference to Pillar I and Pillar II risks, through the monitoring of the Common Equity Tier 1 ratio, the Tier 1 ratio, the Total Capital ratio and the financial leverage indicator;
- liquidity, such as to cope with periods of tension, even prolonged ones, on the various funding supply markets with reference to both the short-term situation and the structural situation, by monitoring the limits inherent in the Liquidity Coverage ratio, stable funding, loan-collection gap;
- profitability, through the monitoring of indicators such as cost-income and ROA.

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

In the same context, reporting to corporate bodies is defined, which aims to provide on a periodic basis summary information on the evolution of the banking Group's risk profile, taking into account the defined risk appetite. The relative system is designed to support the preparation of a holistic representation of the risk profiles to which the Group is exposed.

The definition of the RAF is based on an articulated and complex process, coordinated by the Parent Company. This process is developed in coherence with the ICAAP-ILAAP process and represents the framework within which the annual budget and the business plan are developed, ensuring coherence between risk taking strategies and policies on the one hand, and planning and budgeting processes on the other.

Specific policies and regulations common to the Group issued by the Parent Company have been adopted to strengthen the overall risk management and governance system.

The risk governance model, i.e. the set of corporate governance and management and control mechanisms aimed at tackling the risks to which the Group is exposed, is part of the broader framework of the company's internal control system, which is addressed by the Parent Company as part of the outsourcing contract, defined in accordance with the prudential supervisory provisions for banks set out in Bank of Italy Circular no. 285/2013 (Part One, Title IV, Chapter 3).

Consistently with these references, all company risks are monitored within the framework of an organisational model based on the full separation of control functions from production functions, which integrates control methodologies and processes at different levels, all of which converge with the objectives of continuously detecting, measuring and verifying the risks typical

of company activities, safeguarding the integrity of company assets, protecting against losses, guaranteeing the reliability and integrity of information, and verifying the correct performance of activities in compliance with internal and external regulations.

The internal control system consists of all the rules, functions, structures, resources, processes and procedures that aim to ensure, in compliance with sound and prudent management, the achievement of the following objectives:

- verification of the implementation of company strategies and policies;
- containment of the risk within the limits defined in the adopted RAF;
- safeguarding the value of assets and protection against losses;
- effectiveness and efficiency of operating processes;
- reliability and security of company information and IT procedures;
- prevention of the risk that the Group may be involved, even involuntarily, in illegal activities, with particular reference to those connected with money laundering, usury and terrorist financing;
- compliance of operations with the law and supervisory regulations, as well as with internal policies, regulations and procedures.

The internal control system therefore involves the entire corporate organisation (administrative bodies, structures, hierarchical levels, personnel).

\* \* \*

In line with the provisions issued by the Bank of Italy, the model adopted by the Group outlines the main responsibilities of the governance and control bodies in order to ensure the overall effectiveness and efficiency of the internal control system.

A joint examination of the supervisory regulations and the Articles of Association shows that the strategic supervision function and the management function are founded within the organic and integrated action of the Board of Directors. In the Parent Company there is the figure of the Chief Executive Officer who also incorporates the functions of the General Manager. The Chief Executive Officer is appointed by the Board of Directors by conferring certain powers and responsibilities pursuant to Article 2381, second paragraph of the Italian Civil Code. For the functions assigned to the Chief Executive Officer, reference should be made to Article 34.2 of Cassa Centrale Banca's Articles of Association.

The strategic supervision function is expressed in the guidance of the corporate management through the preparation of the strategic plan, within which the Risk Appetite Framework (RAF) is inserted through the approval of the ICAAP-ILAAP and the budget. This function is carried out by ensuring consistency between the internal control system and the Group's organisation within the cooperative credit "business model". It should be noted that only a consolidated ICAAP-ILAAP report is formally required by the Supervisory Authority and no longer individual documents; the contributions of the individual Group companies are taken into account in the preparation of the report. However, when updating the annual RAS, the Parent Company defines a forward-looking positioning at individual level in terms of capital and liquidity and other relevant risks, and compliance with it is verified on a quarterly basis. Furthermore, analyses relating to the Guarantee Agreement, which allow banks to be assessed in terms of capital and liquidity and thus define the Fund's allocation, and the quarterly monitoring of the Risk-Based model, which classifies banks according to different risk profiles, also provide support.

The management function, to be understood as the set of decisions that a corporate body takes for the implementation of the guidelines resolved in the exercise of the strategic supervision function, is the responsibility of the Board of Directors with the technical contribution of the Chief Executive Officer for the Parent Company, who takes part in the meetings of the Board of Directors, or of the General Management within the Cooperative Credit Banks. This function is mainly carried out in the following ways:

- resolutions passed by the Board of Directors, also on the proposal of the Chief Executive Officer/General Management, in compliance with the provisions of the Articles of Association;

- resolutions of the Executive Committee, normally on the proposal of the Chief Executive Officer/General Management, in the delegated areas;
- decisions of the Chief Executive Officer/General Management and the corporate structure in the delegated areas.

In accordance with the Articles of Association, the Chief Executive Officer/General Management is then responsible for implementing the resolutions of the Board of Directors and the Executive Committee and has the task of supervising the organisational functioning, the performance of operations and the functioning of services, ensuring that the Group is managed as a single entity.

The Chief Executive Officer, as head of personnel, ensures constant attention to the training of employees, also acting as a lever to spread the culture and techniques of risk management and control. He/she also involves the governing body for the approval of training plans and supports it in identifying training methods and content from time to time useful for the development of the directors themselves.

The Board of Statutory Auditors represents the body with control functions and, as it is responsible for corporate control, supervises the correct application of the law and the Articles of Association and, specifically, the adequacy of the internal control system and the effectiveness of the work of the corporate control functions, also making use of the information flows that they carry out.

\* \* \*

The provisions in relation to the internal control system, information system and business continuity accentuate the need for a prior definition of the reference framework for carrying out banking activities in terms of risk appetite, setting a frame of reference that banking groups must apply consistently to operational contexts, size and degree of complexity. This reference framework is defined in the RAF, i.e. the system of risk objectives, and it involves the ex ante setting of the risk/return objectives that the Group intends to achieve. The process is directed by the Parent Company, in order to ensure the necessary consistency of application at consolidated level.

The main purpose of the RAF is to ensure that the intermediary's activity develops within the risk appetite limits set by the corporate bodies.

The RAF is an obligatory reference point for the implementation, within the strategic plan, of a reasoning that leads to establishing the Group's propensity to risk and that translates into risk management policies, expressed through the definition of quantitative parameters and qualitative indications consistent with it.

This reference framework is delivered through the development of the strategic plan from an RAF perspective, with which the budget, ICAAP-ILAAP and operational planning are linked.

The Risk Appetite Framework (RAF) and the related risk governance policies, summarised in the strategic plan, are consistently implemented in risk management, which takes the form of an implementation method that integrates approach phases (summarised in the so-called risk management process) and operational phases for the execution of the set objectives.

It involves both the Board of Directors (for resolutions falling within its remit) and Corporate Management, who - also with the support of the heads of the operational functions involved from time to time and the second-level control function contacts for the powers for which they are responsible - prepare the proposals to be submitted to the Board of Directors, draw up their own provisions and organically oversee the operational risk management activities.

Consequently, risk management is configured as a set of limits, delegations, rules, procedures, resources and first- and second-level line controls as well as operational activities through which risk management policies are implemented.

\* \* \*

The supervisory regulations require banking groups to have adequate systems of risk detection, measurement and control, or an adequate internal control system as defined above.

The controls involve the entire structure, starting from the corporate bodies and the Management and are then articulated in:

- line controls, the main objective of which is to verify the correctness of operations with respect to external/self-regulation rules;
- second-level controls (Risk Management, Compliance and Anti-Money Laundering), aimed at implementing controls on risk management, the correct application of legislation and the management of the risk of money laundering and terrorist financing;
- third level controls (Internal Audit), aimed at identifying anomalous trends in procedures and regulations and assessing the functionality of the overall internal control system.

The Internal Audit Department, which oversees the third level of control, checks the other control systems, activating periodic sessions aimed at monitoring risk variables.

During the year, Audits mainly focused on the following corporate processes:

- ICAAP-ILAAP report;
- remuneration policies;
- complaints and disputes management;
- Group proprietary portfolio;
- granting of loans;
- liquidity management;
- cash management;
- outsourcing management;
- ICT measures (data governance, PMO, incident management);
- other topics.

## Section 1 - Risks of the consolidated accounts

In this section, information is provided with reference to the companies included in the consolidated accounts.

### Quantitative information

#### A. Credit quality

##### A.1 Impaired and performing credit exposures: amounts, value adjustments, trend and economic distribution

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

PORTFOLIOS/QUALITY		Non-performing	Unlikely to pay	Impaired past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost		47	265	48	599	73,225	74,184
2. Financial assets measured at fair value through other comprehensive income		-	-	-	-	10,994	10,994
3. Financial assets designated at fair value		-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value		-	-	-	-	98	98
5. Financial assets held for disposal		-	-	-	-	-	-
<b>Total</b>	<b>30/06/2025</b>	<b>47</b>	<b>265</b>	<b>48</b>	<b>599</b>	<b>84,317</b>	<b>85,276</b>
<b>Total</b>	<b>31/12/2024</b>	<b>37</b>	<b>267</b>	<b>38</b>	<b>553</b>	<b>80,414</b>	<b>81,309</b>

With regard to forborne exposures, reference should be made to Section 2, Table A.1.5.



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

PORTFOLIOS/QUALITY	Impaired				Performing			Total (net exposure)
	Gross exposure	Write-downs	Net exposure	Total partial write-offs	Gross exposure	Write-downs	Net exposure	
1. Financial assets measured at amortised cost	1,766	1,406	360	249	74,478	654	73,824	74,184
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	10,995	1	10,994	10,994
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	1	1	-	-	X	X	98	98
5. Financial assets held for disposal	-	-	-	-	-	-	-	-
<b>Total 30/06/2025</b>	<b>1,767</b>	<b>1,407</b>	<b>360</b>	<b>249</b>	<b>85,473</b>	<b>655</b>	<b>84,916</b>	<b>85,276</b>
<b>Total 31/12/2024</b>	<b>1,795</b>	<b>1,453</b>	<b>342</b>	<b>269</b>	<b>81,545</b>	<b>680</b>	<b>80,967</b>	<b>81,309</b>

PORTFOLIOS/QUALITY	Assets of evident low credit quality		Other assets
	Cumulated capital losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	5
2. Hedging derivatives	-	-	79
<b>Total 30/06/2025</b>	<b>-</b>	<b>-</b>	<b>84</b>
<b>Total 31/12/2024</b>	<b>-</b>	<b>-</b>	<b>76</b>

## Section 2 - Risks of prudential consolidation

In this section, transactions with other companies, which are excluded from the prudential scope but included in the consolidation period, are not eliminated. These figures conventionally include, in proportion to the interest held, the assets and liabilities of the banking, financial and instrumental companies jointly controlled and consolidated proportionally for supervisory purposes.

### 1.1 CREDIT RISK

#### Qualitative information

##### 1. General aspects

The objectives and strategies of the Group's lending activities are geared towards the pursuit of an efficient relationship between the characteristics of the distribution model typical of cooperative credit, based on mutuality and localism, and effective monitoring of credit risk. The Group's lending activities are also integrated into the organisational model of the Cassa Centrale Group, which aims to ensure the application of uniform rules and criteria in the assumption and management of credit risk through progressive standardisation of instruments. To this end, the Group is subject to the guidance and coordination role of the Parent Company Cassa Centrale Banca, in particular for the specific areas highlighted in this section. These objectives and strategies are mainly targeted at:

- the achievement of a loan growth target that is sustainable and consistent with the defined risk appetite;
- an efficient selection of individual counterparties, through a complete and accurate analysis of their ability to meet their contractual commitments, aimed at containing credit risk;
- the diversification of credit risk, by identifying loans of limited amounts as the Group's natural operating area, as well as limiting the concentration of exposures to groups of connected customers or individual lines of business;
- the verification of the persistence of the creditworthiness of the financed clients as well as the performance monitoring of the individual reports carried out, with the help of the information system, both on regular positions as well as, and especially, on positions with anomalies and/or irregularities.

The commercial policy on credit facilities is oriented to the financial support of the local economy and is characterised by a high propensity to entertain trust and personal relationships with households, craft workers and small-medium enterprises in their territory of reference, as well as a particular operational vocation in favour of customer-shareholders. Moreover, no less important is the support function performed by the Group in favour of certain categories of economic and social operators who, due to their legal structure, their purely local scope of action or the reduced profitability they can bring to the Group, tend to be excluded from access to ordinary bank credit.

The significant share of lending represented by residential mortgages, offered according to different types of products, is evidence of the Group's particular focus on the household sector.

The micro and small businesses and the craft segment is another sector of particular importance for the Group. In this context, the Group's strategies are aimed at establishing medium-long term credit and service relationships through the offer of targeted products and services and personal and collaborative relationships with the same customers. The conventions or partnership agreements reached with the provincial Credit Guarantee Consortia or with other subjects working in support of the development of the local economic fabric are also included in this perspective.

The granting of credit is mainly directed towards the lines of business most consistent with the Group's credit policies, which, among other things, take account of the exposure to ESG risk factors (transition risks and physical risks), and with the positive economic dynamics that historically and currently characterise the territory in which the Group operates.

Please refer to the public disclosure ("Third Pillar"), provided at consolidated level, in accordance with the provisions of the "Guidelines on reporting and disclosure of exposures subject to measures applied in response to the COVID-19 crisis" published by the EBA (EBA/GL/2020/07).

## 2. Policies for managing credit risk

### 2.1 Organisational factors

In carrying out its activities, the Group is exposed to the risk that receivables, for whatever reason, are not honoured by third party debtors at maturity and, therefore, losses must be recorded in the financial statements.

This risk is mainly found in the traditional activity of granting secured or unsecured loans recorded in the financial statements, as well as in similar transactions not recorded in the financial statements (mainly available margins on overdrafts, or endorsement credits) and the potential causes of default lie largely in the financial difficulties of the counterparty and to a lesser extent in reasons independent of the financial condition of the counterparty, such as country risk or operating risks. Activities other than traditional lending also further expose the Group to credit risk (e.g. subscription of non-speculative OTC derivative contracts).

Credit-policy guidelines defined by the Board of Directors of the Parent Company and reviewed periodically in light of the changing context, ensure consistent conduct and objectives within the Group through the definition of shared guidelines on criteria and methods for assessing and managing credit, also taking into account ESG risk factors. These guidelines are adopted by the Parent Company and the Affiliated Banks as part of the granting and renewal of credit lines.

The Group Regulation on the granting of loans uniformly defines the process for granting and managing performing loans, allowing the individual Affiliated Banks to autonomously determine the operational units required to perform the different stages of the process. This decision, deemed necessary in view of the decentralisation that characterises the Cassa Centrale Group, aims to enhance the unique characteristics of the different banks, both in terms of their commercial approach to the region and in terms of effective risk management.

In any case, and in compliance with regulatory provisions on Internal Audits, a clear division of roles and responsibilities is established between the commercial component, the functions responsible for identifying and managing positions classifiable as NPEs, and the Control Functions, including the Risk Management Department.

The geographical distribution of the Group as at 30 June 2025 is characterised by the presence of 15 territorial branches of the Parent Company and 65 Affiliated Banks with approximately 1,498 branches located throughout Italy.

The Credit Department is the body of the Parent Company responsible for designing the entire performing loan granting and management process, as well as the coordination and development of loans.

The allocation of tasks and responsibilities within this Department aims - to the extent that is feasible - to separate activities that are in conflict of interest, particularly through an opportune ranking of authorisation profiles in the IT field.

The NPL Department of the Parent Company is the central body with the following functions:

- coordination of the management of the group's non-performing loan portfolio by defining, implementing and monitoring the group's NPE strategy;
- definition of management processes of impaired loans;
- governance of the monitoring process of the entire loan portfolio, in order to promptly intercept the deterioration of credit quality and ensure the correct classification of customers between performing and non-performing loans.

In light of the provisions on the internal control system (contained in Circular no. 285/2013, Part One, Title IV, Chapter 3), the Group has adopted an organisational structure that is functional to achieving an efficient and effective credit risk management and control process consistent with the framework addressed by the Parent Company.

In addition to line controls, as first level activities, the functions outsourced to the Parent Company in charge of second-level and third-level controls with the collaboration of their respective contact persons are responsible for measuring and monitoring risk trends and for the correctness/adequacy of management and operational processes.

Control activity over credit risk management (as well as financial and operational risks) is carried out by the risk control function (Risk Management Department) - outsourced to the Parent Company - which makes operational use of its internal contacts at Group Banks.

Specifically, the function provides a preventive contribution in the definition of the RAF and related risk management policies, in setting operational limits to the assumption of the various types of risk.

Specifically, the function:

- releases its prior assessment of the Group Governance Rules, including the first-level internal regulations on the credit sector, in order to assess their consistency with the overall risk management and control framework it oversees. Excluded are documents for which the Function, given the nature of the contents and/or changes, does not see any impact on the framework it oversees. The evaluation is issued as described in the Group policy for managing internal regulations;
- carries out second-level checks on credit exposures;
- ensures systematic monitoring of the degree of exposure to risks, the adequacy of the RAF and the consistency between operations and the actual risks assumed by the Group with respect to the risk/return objectives and the related pre-established limits or thresholds;
- contributes to the preparation of the ICAAP-ILAAP report, in particular by verifying the appropriateness of the variables used and consistency with the risk objectives approved under the RAF;
- monitors compliance with regulatory requirements and prudential supervisory ratios, analysing and commenting on their characterisations and dynamics;
- formalises prior opinions on the consistency with the RAF of the most significant transactions, possibly acquiring the opinion of other functions involved;
- contributes to the organisational set up/maintenance and regulates the operational processes (credit, funding, finance, collection/payments, ICT) adopted for the management of the various types of risk, verifying the adequacy and effectiveness of the measures taken to remedy the deficiencies found;
- contributes to the definition/revision of quantitative risk measurement methodologies and, by interacting with the accounting function and referring to the system contributions for the preparation of the financial statements, contributes to a correct classification and evaluation of the company's activities.

## 2.2 Management, measurement and control systems

With regard to lending activities, the Credit Department and the NPL Department of the Parent Company ensure the supervision and coordination of the operational phases of the lending process, make decisions within the scope of their powers and carry out the controls for which they are responsible.

The entire credit management, control and classification process is governed by the Group Regulations on the granting of loans, Group Regulations for the classification and valuation of loans, Group Regulations for monitoring and first-level controls on credit risk and Group Regulations for the management of impaired loans, which regulate the criteria and methods for:

- assessment of creditworthiness;

- review of credit lines;
- classification of loans;
- definition of credit risk monitoring and control activities;
- management and recovery of loans classified as non-performing;
- determination of provisions on exposures classified as non-performing.

With reference to transactions with associated parties, the Group has adopted specific deliberative procedures aimed at controlling the risk that the proximity of certain parties to the decision-making centres of the same may compromise the impartiality and objectivity of decisions relating to the granting of loans. From this perspective, the Group is also equipped with recognition tools and an IT procedure aimed at supporting the correct and complete registration of associated parties. These references have been supplemented by updating, where deemed necessary, the resolutions, regulations and proxies already in use. The Group Regulation for the management of transactions with associated parties was also adopted.

In compliance with the provisions of the Group Regulations for the granting of loans, the Group Regulations for the classification and valuation of loans, the Group Regulations for monitoring and first-level controls on credit risk and the Group Regulations for the management of impaired loans, specific procedures were put in place for the investigation/deliberation, credit line revision and credit risk monitoring and control phases, classification of loans and definition of recovery strategies for impaired loans. All of the above phases apply qualitative and quantitative criteria to assess the creditworthiness of the counterparty.

Opportunities for enquiry/deliberation and the review of credit lines are regulated by a deliberative process involving the various competent bodies of the Subsidiary Banks or of the Parent Company, in accordance with the levels of delegation provided for in the respective individual Regulations, adopted in line with the Group Regulation on the granting of loans. The Parent Company can intervene on the loan granting practices of individual Affiliated Banks in the event that they exceed the maximum credit limits permitted for individual counterparties, set by the Parent Company on a personalised basis for each individual bank, taking into account the own funds and creditworthiness of the same. These phases are supported by IT procedures that allow, at any time, the verification (by all credit management functions) of the status of each position already assigned or being assigned, as well as to reconstruct the process that led to the definition of the creditworthiness of the borrower (through the recording and archiving of the decision-making process and the types of analysis carried out).

During the investigation, for requests for significant amounts of credit facilities, the evaluation, including prospective, is structured on several levels and is based mainly on economic-financial data, on the personal knowledge of the counterparty and its guarantors, as well as verification of the degree of exposure to ESG risk factors. Different types of investigation/revision have been provided for; some are simplified, reserved for the investigation/revision of exposures of limited amount referring to parties who have a regular performance, others are ordinary, for the remaining type of practices.

The IT monitoring procedure adopted by the Group, using internal management information and data acquired from external providers, makes it possible to identify the various signs of anomalies among the customers with credit lines. The constant monitoring of the reports provided by the procedure therefore allows timely intervention in the event of anomalies and to take the appropriate measures to resolve them and/or correctly classify the individual position.

All fiduciary positions are also subject to periodic review, carried out for each individual counterparty/economic group to which they belong by the relevant structures per credit limit.

The credit chain is also monitored at every stage (granting, forbearance, performance monitoring, classification, NPL management, collateral management, provisioning) by the Risk Management Department through a specific dedicated control framework based on preliminary quarterly risk assessments carried out on a massive scale through specific sets of dedicated key risk indicators, aimed at providing an initial measurement of the potential risk occurred from the individual scope, also taking into account the historical evolution (cross time comparison) of the same and its positioning with respect to the banking group (cross section comparison). This can also be used to detect possible risk drivers of the functional compartment to assess any single name analytical insights on the individual scopes in question to support the evidence of potential risk detected by the

aforementioned massive models, and to launch in specific cases measures to strengthen the process components characterised by weaknesses.

In recent years, the revision of international prudential regulations as well as the evolution in the banking world have further pushed cooperative credit to develop methods and systems to control credit risk. With this in mind, a strong commitment has been maintained in the progressive development of IT tools for monitoring credit risk, which has led to the creation of an advanced system for assessing the creditworthiness of companies and the risk/return profile.

Consistently with the operational and governance specificities of the credit process, the management system has been designed with a view to achieving an adequate integration between quantitative information (Financial Statements, Central Credit Register, Relationship Performance, Socio-Demographic Profile) and qualitative information accumulated by virtue of the peculiar customer relationship and its roots in the territory.

For the purposes of determining the minimum capital requirement for credit risk, the Group adopts the standardised methodology and, in this context, has decided to:

- make use of Rating models, developed on a statistical basis and using credit scoring methodology, for the measurement and evaluation of creditworthiness and related provisions for ordinary and interbank customers<sup>14</sup>;
- adopt the standardised methodology for the calculation of the capital requirement for credit risk (Pillar I).

Moreover, with reference to the internal capital and liquidity adequacy assessment process (ICAAP-ILAAP) provided for in Pillar II of the new prudential regulations and in order to determine internal capital, the Group has opted for the adoption of simplified methodologies.

In addition, stress tests were carried out in accordance with the management methods established by the Parent Company.

With reference to credit risk, stress tests are carried out as follows: in particular, the stress exercise is intended to measure the change in the exposures of the Regulatory portfolios due to the application of an adverse scenario compared to a baseline scenario.

The aggregates subjected to stress analysis are:

- gross volumes of performing loans to customers;
- rate of deterioration of performing loans to customers and related write-offs;
- coverage ratio of performing and impaired loans to customers;
- fair value of the HTCS securities portfolio.

For the identification of the two market scenarios, reference is made to the information provided by an external provider also based on the main assumptions established by the European Banking Authority for the purpose of the 2018 Stress Test.

With reference to operations on the securities markets, the Finance Departments of the Group's banks carry out valuation and control activities both during the purchase of financial instruments and at subsequent times when the composition of the segment by asset class or IAS/IFRS portfolio is periodically analysed, the level of specific risk or counterparty risk is determined and compliance with the limits and powers assigned is verified.

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<sup>14</sup> The rating models developed are subject to annual review by the Parent Company. During the year, under the supervision of the Risk Management Department of the Parent Company, credit risk models were refined and updated. For more details see paragraph 2.3.

## 2.3 Methods of measuring expected losses

IFRS 9 introduced, for instruments measured at amortised cost and fair value through other comprehensive income (other than equity instruments), a model based on the expected loss concept, replacing the incurred loss approach provided by IAS 39.

The changes introduced by IFRS 9 are characterised by a prospective view which, in given circumstances, may require the immediate recognition of all expected losses over the life of a loan. In particular, unlike IAS 39, it is necessary to recognise, immediately and regardless of the presence or not of a so-called trigger event, the initial amounts of expected future losses on own financial assets, and this estimate should be continuously adjusted also in consideration of the counterparty credit risk. In order to prepare this estimate, the impairment model should not only consider past and present data, but also information relating to future events.

This forward-looking approach makes it possible to reduce the impact of the losses and enable loan adjustments to be posted in proportion to the increase in risks, allowing entities to avoid overloading the income statement on the occurrence of loss events and reducing the pro-cyclical effect.

The scope of application of the new model for measuring expected losses on loans and securities subject to impairment adopted refers to financial assets (loans and debt securities), commitments to disburse funds, guarantees and financial assets not subject to measurement through FVTPL. For credit exposures falling within the scope of application<sup>15</sup> of the new model, the accounting standard provides for the allocation of individual relationships to one of three stages based on changes in credit quality, defined on an expected credit loss model at 12 months or full life if a significant increase in risk (lifetime) has occurred. In particular, there are three different categories reflecting the credit quality deterioration model from initial recognition, which make up the stage allocation:

- in stage 1, positions that do not present, at the valuation date, a significant increase in credit risk (SICR, specific or collective in nature) or which can be identified as 'low credit risk';
- in stage 2, positions that, at the reference date, present a significant increase or that do not present the characteristics to be identified as 'low credit risk';
- in stage 3, non-performing positions<sup>16</sup>.

The estimate of expected loss using the Expected Credit Loss (ECL) criteria, for the classifications defined above, takes place on the basis of the allocation of each position into the three reference stages, as detailed below:

- stage 1, expected loss must be calculated on a time horizon of 12 months<sup>17</sup>;
- stage 2, expected loss must be calculated by considering all the losses that are expected to be incurred over the entire life of the financial asset (lifetime expected loss): therefore, with respect to the calculation performed in accordance with IAS 39, there is a shift from the estimate of incurred loss over a time horizon of 12 months to an estimate that takes into consideration the entire residual life of the loan; in addition, given that IFRS 9 requires entities to also adopt forward-looking estimates for the calculation of the lifetime expected loss, it is necessary to consider the scenarios connected with macro-economic variables (e.g. GDP, unemployment rate, inflation, etc.) which, through a macro-economic statistical model, are able to estimate the forecasts over the residual duration of the loan;
- stage 3, the expected loss must be calculated with a lifetime perspective, but unlike stage 2 positions, the calculation of the expected lifetime loss is carried out using an analytical valuation methodology; for certain exposures classified as non-performing or unlikely to pay of less than EUR 100,000, for impaired past due and/or overrun exposures and for off-balance sheet exposures, the calculation of the expected lifetime loss is normally carried out using a flat-rate analytical methodology.

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<sup>15</sup> The application segments are ordinary customers, interbank segment and securities portfolio.

<sup>16</sup> Non-performing loans relate to: impaired past due and/or overrun, 'unlikely to pay' and non-performing exposures.

<sup>17</sup> The calculation of the expected loss for the purposes of calculating collective bad debt provisions for these exposures takes place on a 12-month point in time basis.

Specific risk parameters (PD, LGD and EAD) were defined from an IFRS 9 perspective to be used for impairment calculations (stage allocation and ECL); to improve the coverage of the ratios not originally rated after 2006, the default rates made available by the Bank of Italy were used<sup>18</sup>. It should be underlined that the Group calculates the ECL based on the allocation stage, per individual position, with reference to on-balance and off-balance sheet credit exposures.

For more details, please refer to these Explanatory Notes, Part A Accounting policies, section 5 “Other aspects” part d) “Risks, uncertainties, impacts and methods of application of the international accounting standards in the current context”.

### Loans to ordinary customers

The steps common to all the approaches identified for the construction of the PD to be used, concern:

- 12-month PD estimate developed on a statistical basis through the construction of a Group model, appropriately segmented according to the type of counterparty, the geographic area in which the Group operates and the creditworthiness (in terms of the customer’s rating), the customer’s geographic area and the classification of economic activities (ATECO);
- the inclusion of forward-looking scenarios occurs through the application of outputs defined by appropriate “Satellite Models” to the PD Point in Time (so-called PiT) and definition of a set of possible scenarios incorporating current and future macroeconomic conditions;
- the transformation of 12-month PD into lifetime PD, in order to estimate a PD term structure along the entire residual life class of loans, takes place using a Markov process.

The steps common to all the approaches identified for the construction of the LGD to be used, concern:

- a Group model, appropriately segmented according to the characteristics of the counterparty (segment, geographic area, sectors of economic activity and exposure range) or by exposure subject to evaluation (type of guarantee, degree of loan, product type) which is formed of two parameters: the Danger Rate (DR) and the NPL LGD (LGS);
- the IFRS 9 Danger Rate parameter (an expression of the probability of “curing” a position to default as well as possible increases in exposure in the migration to worse credit states) is estimated by observing the resolution process of all default cycles recently concluded (point in time) and those concluded ‘through the cycle’. The parameter is also formed of a factor of variation of the exposure between impairment states or its return to performing status. The Danger Rate parameter, like PD, is conditioned to the economic cycle, based on possible future scenarios, so as to incorporate assumptions about future macroeconomic conditions;
- the nominal LGS parameter (complement to one of the recoveries obtained in respect of the exposure of a position classified as non-performing) is calculated as the arithmetic mean of the nominal LGS, segmented by type customer, geographic area and type of guarantee, and then discounted based on the average recovery time observed for clusters of ratios consistent with the nominal non-performing LGD. This component is subject to influence from the economic cycle and prospective scenarios through specific satellite models.

The EAD IFRS 9 model adopted differs according to the type of technical macro-form and the type of counterparty. For the estimation of the EAD parameter over the lifetime period of the instalment positions, it is necessary to consider the contractual repayment flows, for each year of the remaining life of the position. The model also considers the credit conversion factor (CCF) used to determine the EAD for off-balance entries (see commitments, margins and credit commitments) or a factor of increase in the use of products with no margin (K factor).

With reference to stage allocation, the Group made provision for the allocation of the individual on-balance and off-balance sheet positions, in one of the three stages listed below, based on the following criteria:

<sup>18</sup> During 2018, the Bank of Italy made available a historical series of default rates starting in 2006, broken down by a number of drivers (region, amount range, economic sector, etc.) and built on a broader definition of non-performing positions only.



- in stage 1, positions with generation date of less than three months from the measurement date or that do not present any of the characteristics described in the following point;
- in stage 2, positions which, at the reference date, present at least one of the characteristics described below:
  - positions that at the valuation date show an increase in lifetime PD, compared to that at origination, greater than a certain threshold differentiated according to specific drivers such as risk segment, ageing and residual maturity of the position and geographic area. To this threshold, for certain groups of particularly risky customers, a back-stop of 300% is applied in line with the guidelines issued by the ECB in the “Dear CEO” letter and in the EBA stress test manual;
  - positions belonging to certain particularly risky geo-sectoral clusters, identified by an IFRS 9 PD higher than 20% on average, or identified “collectively” as at risk;
  - positions relating to counterparties that at the valuation date are classified to ‘watch list’, i.e. ‘performing under observation’;
  - presence of a ‘forborne performing’ attribute;
  - presence of past due amounts and/or overrun by more than 30 days;
  - counterparty positions classified as performing and identified as POCI (Purchased or Originated Credit Impaired);
  - positions that do not have the characteristics to be identified as low credit risk at the valuation date (or with a 12-month PD pursuant to IFRS 9 less than 0.3%);
  - positions whose hedging, determined by the presence of overlays (Group or Individual), is particularly high above a defined threshold of consistency with stage 1 classification.
- in stage 3, non-performing loans. These concern individual positions relating to counterparties classified in one of the impaired loan categories set forth by Bank of Italy Circular no. 272/2008 and subsequent updates. Falling into this category are impaired past due and/or overrun, ‘unlikely to pay’ and impaired exposures.

### Loans between banks or to financial intermediaries

For transactions in the interbank segment, the PD parameter is provided by an external provider that is differentiated on the basis of a rating that defines the creditworthiness of the counterparty; these default probabilities are extrapolated from listed credit spreads or listed bonds. For institutions without quoted credit spreads, the PD parameter is always provided by an external provider, but calculated on the basis of comparable logics based on external information (financial statements, external ratings, economic sector).

The LGD parameter is set prudentially by basing the regulatory level for IRB at 45%.

For EAD, similar logic is applied as for the ordinary customer model.

The Group has provided for the allocation of individual positions to the 3 stages, in the same way as to that provided for loans to customers. The application of the concept of low credit risk is defined on performing positions which at the valuation date have the following characteristics: no lifetime PD at the origination date and PD Point in Time less than 0.3%. Stage 2 is defined on the basis of PD changes between origination and reporting of 200% (as the backstop identified on the basis of the AQR-stress test manuals in the presence of a low default portfolio).

### Securities portfolio

The PD parameter is provided by an external provider based on two approaches:

- timeliness: the default probability term structure for each issuer is obtained from quoted credit spreads or quoted bonds;
- comparable: where market data does not allow for the use of specific credit spreads, because they are absent, illiquid or insignificant, the default probability term structure associated with the issuer is obtained using proxy methodology. This

methodology provides for the reclassification of the rated issuer to a comparable issuer for which specific credit spreads are available or to a reference cluster for which a representative credit spread can be estimated.

The LGD parameter is assumed to be constant over the entire time period of the financial activity under analysis and is obtained on the basis of four factors: issuer and instrument type, instrument ranking, instrument rating and country of origin of the issuing entity. The minimum level starts from a value of 45%, with subsequent increases to take into account the different degrees of seniority of the securities.

The Group has allocated the individual tranches for the purchase of securities in 3 stages.

In the first creditworthiness stage the following are placed: tranches that can be classified as low credit risk (i.e. that have PD as at the reporting date below 0.26%) and those that at the valuation date have not experienced a significant increase in credit risk with respect to the time of purchase.

In the stage 2, tranches are placed, which on the valuation date present an increase in credit risk compared to the date of purchase.

In the third and final stage, tranches are placed, for which the ECL is calculated following the application of a 100% probability (i.e. in default).

### Organisational and process impacts

In terms of organisational and process impacts, the approach to impairment introduced by IFRS 9 required a major effort to collect and analyse data; this in particular, in order to identify the exposures that have suffered a significant increase in credit risk with respect to the date of their assumption and, consequently, must be traced back to a measurement of the expected lifetime loss, as well as the support of significant investments for the evolution of the valuation models in use and related operating processes for the incorporation of the risk parameters produced in credit operations.

The introduction of forward-looking logic in accounting valuations also determines the need to revise credit policies, for example, with reference to customer selection parameters (in light of the different sectorial or geographical risk profiles) and collateral (orienting the preference of types exposed to lower volatility and sensitivity to the economic cycle). Similarly, it appeared necessary to adjust the company's rules on the granting of credit (and related delegated powers) taking into account, among other things, the different costs of medium/long-term technical forms in a scenario in which, as mentioned above, any migration to stage 2 entails the transition to an expected lifetime loss.

With regard to credit monitoring processes and controls, some consolidation interventions are also planned, based, *inter alia*, on the implementation of automated and proactive processes as well as the refinement of early warning and trigger tools that have been introduced by the Group in order to identify the early symptoms of a potential step-up and to activate the resulting initiatives in good time.

Finally, significant interventions concern second-level controls by the Risk Management Department, which is responsible, among other things, under current regulations, for the validation of internal risk measurement systems not used for regulatory purposes and for monitoring the substantial correctness of the indications deriving from the use of these models.

With reference to the main management control processes, in the knowledge that the cost of risk is one of the most important variables in determining current and prospective economic results, particular attention is paid to the necessary consistency of the assumptions underlying the estimates of the multi-annual plan and the annual budget (developed on the basis of expected scenarios relating to macroeconomic and market factors), the ICAAP-ILAAP and RAF and those taken as reference for the determination of accounting provisions.

The project activities coordinated by the relevant technical structures of Cassa Centrale Banca have allowed the improvement of the declination of the methodological solutions for the correct estimation of the risk parameters for the calculation of the ECL and the management of the staging process according to IFRS 9 standards, as well as the development of the underlying technical/instrumental support by the relevant structures. It should be noted that, in relation to the introduction of the new definition of

default as well as to some primary contextual elements (i.e. the growing sophistication of the Banking Group, elements deriving from the current macroeconomic and geopolitical environment, etc.), the Group has launched a project to estimate again all the credit models of the accounting framework (i.e. IFRS 9 and macroeconomic models) as well as management such as monitoring and acceptance (i.e. rating systems) released in December 2024.

The Group has defined the guidelines relating to the adoption of organisational and process solutions aimed at enabling the correct and integrated gradual use of the rating system in the main business processes (during investigation, pricing, monitoring and evaluation), as well as for the implementation of the related monitoring and control system.

In general, with regard to the impacts of the variables and the specific cases that led to a significant increase in credit risk (SICR) and on the measurement of expected losses, please refer to what has already been explained in Part A.

## 2.4 Techniques for mitigating credit risk

Risk mitigation techniques include those instruments that contribute to reducing the loss that the Group would incur if the counterparty were to default; they include, in particular, guarantees and certain contracts that lead to a reduction in credit risk.

In accordance with the credit objectives and policies defined by the Board of Directors, the credit risk mitigation technique most commonly used by the Group is the acquisition of different types of collateral, personal and financial guarantees.

These forms of guarantee are required depending on the results of the assessment of the creditworthiness of customers and the type of loan requested by the same. As part of the credit granting and management process, though the guarantees are given an ancillary function in the evaluation of the conditions of economic/financial sustainability of the counterparty, the presence of mitigating factors is encouraged against counterparties with a less favourable credit rating or certain types of medium/long-term operations.

With reference to activities within securities markets, given that the composition of the portfolio is oriented towards primary issuers with high creditworthiness, no particular forms of credit risk mitigation are currently required.

The main concentration of collateral (mainly mortgages) is related to loans to customers in the retail and small business sectors (medium and long term).

In recent years, a decisive impetus has been given to the implementation of structural and process configurations suitable to ensure full compliance with the organisational, economic, legal and information requirements of prudential regulations on credit risk mitigation (hereinafter also “CRM”) techniques.

The Group has decided to use the following CRM tools:

- financial collateral (pledges) involving cash and a restricted list of financial instruments traded on regulated markets, provided through agreements for the pledging and transfer of ownership and repurchase agreements;
- mortgage collateral, represented by residential and non-residential mortgages;
- personal guarantees represented by sureties, given by authorities authorised to issue state commitments (e.g. SME Guarantee Fund, SACE, ISMEA) by supervised financial intermediaries.

Furthermore, the project to standardise the technical forms of guarantee at all Affiliated Banks led to the definition of a single taxonomy of guarantees, valid and binding for the entire Group, thus laying the foundations for a standardised definition of their acquisition and management processes.

### Financial (pledges) and mortgage collateral

With reference to the acquisition, evaluation and management of the main forms of collateral, the company’s policies and procedures ensure that such collateral is always acquired and managed in such a way as to ensure that it is enforceable in all relevant jurisdictions and can be enforced within a reasonable time.

In this context, the Group complies with the following inherent regulatory principles:

- the non-dependence of the value of the property to a significant extent on the creditworthiness of the debtor;
- the independence of the party (natural person or valuation company) appointed to carry out the estimate of the property at a value no greater than the market value, as well as its adequate level of professionalism;
- the presence of an insurance policy against the risk of damage to the property covered by the guarantee as well as any other insurance coverage from time to time required by current laws;
- the implementation of adequate monitoring and oversight of the value of the property (and, by extension, of the portfolio of acquired guarantees), in order to verify the existence over time of the requirements that allow for less capital absorption on the guaranteed exposures;
- observance of a prudential ratio between the requested credit facility and the value of the real estate pledged as collateral (loan-to-value) and between the requested credit facility and the value/cost of the investment (loan-to-cost);
- the use of the property and the adequate ability of the debtor to repay, also measured from a forward-looking perspective.

In order to ensure uniformity in the methods and valuation criteria adopted by professionals appointed to perform the appraisals to estimate the value of the real estate guarantees, the Group uses a single tool to support the estimate process, also providing for analyses of the quality of the expert reports.

The process of monitoring the value of the property under warranty is carried out using statistical methods. Performing or impaired credit exposures are subject to statistical revaluation at least every twelve months or possibly longer in certain cases, linked to the presence of loan-to-value, loan-to-cost, the riskiness of the counterparty, the type of property, etc.

For significant performing exposures (i.e. amounts in excess of EUR 3 million or 5% of the Group Bank's own funds) the valuation is, in any case, reviewed by an independent expert at least every 3 years.

For impaired exposures, the Group provides for a new appraisal for both residential and non-residential properties at the time of transition to non-performing status and an annual update for positions exceeding specific exposure thresholds.

With regard to financial collateral, the Group, based on the policies and processes for the management of credit risk and operational limits and proxies defined, directs the acquisition of the same exclusively to those financial assets for which the company is able to calculate the fair value on a periodic basis (i.e. whenever there is evidence that there has been a significant decrease in fair value).

The Group has also put in place specific safeguards and procedures to ensure the following aspects relevant to the prudential eligibility of the guarantees in question:

- absence of a material positive correlation between the value of the financial collateral and the creditworthiness of the debtor;
- specific safeguards to guarantee the external separation (between the depositary's assets and the asset under guarantee) and the internal separation (between assets belonging to different parties and deposited with third parties) if the asset under guarantee is held with third parties;
- residual duration of the guarantee not less than that of the exposure.

The monitoring of financial collateral, in the case of pledging of securities, takes place through periodic monitoring of the issuer/issue rating and the fair value assessment of the financial instrument as collateral. The adjustment of guarantees for which the market value is lower than the resolution value net of discount is required.

## Personal guarantees

For personal guarantees, the Group uses CRM techniques only for sureties protected by government guarantees as these are issued by authorised issuers (e.g. SME Guarantee Fund, SACE, ISMEA, or other authorities in the EU framework such as

FEI). Moreover, they may provide access to benefits in terms of capital weighting on sureties provided by supervised financial intermediaries.

### Netting agreements

The Group adopts bilateral netting agreements for contracts relating to OTC derivatives and long-term settlement transactions concluded with primary counterparties through the Parent Company which, while not giving rise to any novation, provide for the formation of a single obligation, corresponding to the net balance of all the transactions included in the agreement itself, so that, in the event of default by the counterparty due to insolvency, bankruptcy, liquidation or any other circumstance, the Group has the right to receive or the obligation to pay only the net amount of the positive and negative values at current market prices of the individual transactions offset. Regulation (EU) no. 575/2013, with reference to OTC derivatives and long-term settlement transactions, places such agreements within the framework of other bilateral netting agreements between an institution and its counterparty, i.e. written agreements between a bank and a counterparty under which the reciprocal credit and debit positions generated by such contracts are automatically offset so as to establish a single net balance, without any novative effects.

The effect of reducing counterparty risk (and, therefore, lower capital absorption) is recognised provided that the agreement has been communicated to the supervisory authority and the Group complies with the specific requirements set out in the regulations.

In this respect, the Group adopts a net-based counterparty risk management system in accordance with the bilateral offset provision, with no novation effect, present in contracts for OTC derivatives and long-term settlement transactions. It is planned to adopt these instruments also when absorbing capital, bearing in mind that the new contracts all pass through the Parent Company.

The legal right to offset is not legally enforceable at any time but only in the event of insolvency or bankruptcy of the counterparties. As a result, the conditions in paragraph 42 of IAS 32 for offsetting positions in the financial statements are not met as further detailed in IAS 32 in paragraph AG38.

The Group has entered into margining agreements that provide for the daily exchange of margins (guarantees) between the counterparties to the contract on the basis of the valuation of outstanding positions according to market values observed on the reference day (i.e. the working day immediately prior to the valuation day). The value of the collateral transferred from one party to the other takes into account the net value of the outstanding positions, the value of any collateral previously lodged by either party and the security value (minimum transfer level). The system is managed by the Parent Company for exposures to affiliates, while for exposures to institutional market counterparties it is the latter that performs the role of guarantee calculation agent.

## 3. IMPAIRED CREDIT EXPOSURES

### 3.1 Management strategies and policies

Impaired financial assets include loans which, following the occurrence of events happening after their disbursement, show objective evidence of possible impairment.

On the basis of the current regulatory framework, supplemented by internal implementing provisions, impaired financial assets are classified according to their critical status into three categories:

- non-performing loans: credit exposures to counterparties in a state of insolvency (even if not judicially established), or in substantially comparable situations, regardless of the existence of any guarantees given to protect the exposures and the loss forecasts made;
- unlikely to pay: credit exposures, other than bad loans, for which it is considered unlikely that, without recourse to protective actions, such as enforcement of guarantees, the debtor will fully meet its credit obligations in principal and/or interest, regardless of the presence of any overdue and unpaid amounts/rates;
- impaired past due and/or overrun: credit exposures, other than those classified as non-performing or unlikely to pay, which are past due and/or overrun. The overall exposure to a debtor shall be recognised as impaired past due and/

or overrun, in accordance with Delegated Regulation (EU) no. 171/2018 of the European Commission of 19 October 2017, if the amount of principal, interest or fees unpaid at the date it was due exceeds both of the following thresholds: a) absolute limit of EUR 100 for retail exposures and of EUR 500 for non-retail exposures; b) relative limit of 1% given by the ratio of the total amount past due and/or overrun at group level to the total amount of all credit exposures to the same debtor.

The classification of positions among impaired assets is carried out automatically, upon the occurrence of the binding cases provided for by the reference regulations, or by means of evaluation and deliberation processes on individual counterparties, triggered automatically or manually, upon the identification of certain early warning signs and/or triggers, defined in the Group Regulation for the Classification and Valuation of Loans. Similarly, the return to performing status of impaired exposures occurs automatically when the binding cases provided for by the reference regulations are no longer met, or through valuation and resolution processes, triggered manually by the structures responsible for managing impaired loans, in compliance with the "monitoring period" and "cure period" time frames provided for by the reference regulations.

The Group model for the management of impaired loans involves management and coordination by the Parent Company and the direct management of the impaired loans portfolio by the individual affiliated banks. In the context of this model, the Parent Company:

- prepares and implements the Group's NPE Strategy and related operational plan;
- defines and updates internal regulations and processes related to the classification and valuation of loans;
- defines and updates the internal regulations and processes related to the management and recovery of impaired loans.

Each affiliated bank, through its own structures, conducts the following activities:

- the development and implementation its own individual NPE Strategy and related operational plan in compliance with the objectives defined by the Parent Company;
- the classification of individual exposures;
- the definition of the most appropriate management and/or recovery strategies for the individual positions;
- the activities of determining the provisions on the individual impaired credit lines.

The model used to determine provisions for impaired loans provides, depending on their characteristics, for the use of a specific analytical valuation or a flat-rate analytical valuation.

The amount of the adjustment to the value of each loan is determined as the difference between its carrying amount at the time of measurement (amortised cost) and the present value of expected future cash flows, calculated by applying the effective interest rate to the ratio at the time immediately prior to classification in one of the risk categories of impaired loans.

The specific analytical valuation is carried out at the time of classification among impaired credit exposures and is reviewed quarterly in accordance with the criteria and methods identified in the Group Regulations for the classification and valuation of loans.

The flat-rate analytical valuation is carried out and updated quarterly on the basis of the estimate of the expected loss calculated by the impairment model introduced by IFRS9.

## 3.2 Write-offs

The write-off is an event that results in an accounting derecognition and may occur before the legal action for recovery of the impaired debt is completed and does not necessarily imply a waiver of the legal right to recover the debt. The write-off may cover the entire amount of an impaired exposure or a portion of it and corresponds to:

- the reversal, in full or in part, of the write-downs, as a contra-entry to the gross value of the impaired exposure; and

- for any portion exceeding the amount of the write-downs, to the impairment loss of the impaired exposure recognised directly in the income statement.

Any recoveries from collections in excess of the gross value of the impaired exposure following the write-off are recognised in the income statement under write-backs.

In general, the write-off applies to impaired exposures for which:

- the occurrence of events has been found to lead to the irretrievability of all or part of the impaired exposure;
- all or part of the impaired exposure was deemed reasonably unrecoverable;
- it was considered appropriate, in the context of settlement agreements with the debtor, to waive all or part of the impaired debt.

The specific processes and criteria for the application of write-offs are governed at group level in accordance with specific internal regulation.

### 3.3 Purchased or originated credit-impaired financial assets

In accordance with IFRS 9, loans considered impaired from the time of initial recognition are referred to as Purchased or Originated Credit Impaired Assets (POCI). These loans, if they fall within the scope of application of impairment pursuant to IFRS 9, are measured by setting aside - from the date of initial recognition - provisions to cover losses covering the entire residual life of the loan (ECL lifetime). Since these are impaired loans, they will be initially booked as part of stage 3.

The identification and accounting treatment of the POCI are processes governed by the Group Regulations for the management of purchased or originated credit-impaired financial assets.

In this regard, it should be noted that the acquisition or origination of impaired financial assets is not part of the Group's typical business model, so the above mentioned cases are to be considered residual.

## 4. FINANCIAL ASSETS SUBJECT TO COMMERCIAL RENEGOTIATIONS AND FORBORNE EXPOSURES

The category of 'forborne non-performing exposures' does not constitute a separate and additional category of impaired exposures to those previously mentioned (non-performing, unlikely to pay and impaired past due and/or overrun exposures), but only a sub-set of each of them, which includes on-balance exposures and commitments to disburse funds that are forborne ('forborne exposures'), if both of the following conditions are met:

- the debtor is in a situation of economic-financial hardship that does not allow him/her to fully comply with the contractual commitments in his/her debt agreement and that puts him/her in a state of 'credit deterioration' (classification in one of the categories of impaired exposures: non-performing, unlikely to pay, impaired past due and/or overrun);
- the Group agrees to amend the terms and conditions of that agreement, or to refinance it in full or in part, to enable the debtor to comply with it (there would have been no such forbearance if the debtor had not been in a state of hardship).

Forborne exposures to debtors in a condition of economic-financial hardship that has not reached a state of credit impairment are instead classified in the category of forborne performing exposures and are included among the other performing exposures, or among the performing past due exposures if they meet the requirements for this classification.

As provided for in the Group Regulations, once it has been ascertained that a concession measure meets the requirements of forbearance, the forborne exposure attribute involves:

- forborne performing if both of the following conditions occur:

- the debtor was classified as ordinary performing or under observation before the forbearance was granted;
- the debtor was not reclassified as an impaired counterparty as a result of the forbearance granted;
- forborne non-performing if at least one of the following conditions occurs:
  - the debtor was classified as impaired prior to the granting of the forbearance;
  - the debtor has been reclassified among impaired exposures, due to the forbearance granted, including the assumption that (in addition to other regulatory cases), as a result of the valuation made, significant impairment losses will emerge.

In order for a credit exposure classified as forborne non-performing to change to forborne performing, the following conditions must be met simultaneously:

- at least 12 months have passed since the last of the following events (known as cure period):
  - granting of the forbearance measure on impaired credit exposures;
  - classification as impaired of the counterparty;
  - end of the grace period set forth by the forbearance measure on impaired credit exposures;
- absence of the conditions to classify the debtor as impaired;
- absence of overdue payments on all the debtor's existing relationships with the Group;
- the debtor's presumed ability, on the basis of documentary evidence, to fully meet its contractual obligations under the repayment terms determined by the forbearance; this prospective ability to repay is deemed to have occurred when both of the following conditions are met:
  - the debtor has reimbursed, through the regular payments made on the renegotiated terms, an amount equal to the amount that had expired (or was subject to derecognition) at the time of granting the forbearance;
  - the debtor has complied with the post-forbearance payment terms over the last 12 months.

A credit exposure classified as forborne performing becomes forborne non-performing when even one of the following conditions occurs:

- the conditions for the classification of the counterparty as impaired loans are met;
- occurrence of conditions of reduced financial obligation as defined by Article 178 of EU Regulation no. 575/2013 (DO>1%);
- the credit exposure was previously classified as impaired with a forborne non-performing attribute and subsequently, if the conditions were met, the funded counterparty has been upgraded to performing status under observation (with the simultaneous transfer of the line in question to forborne performing), but: i) one of the credit lines of the financed counterparty has matured, during its stay in forborne performing, more than 30 days past due; or ii) the counterparty holding the line in question, during its stay in forborne performing, is subject to further forbearance measures.

For a credit exposure classified as forborne performing to lose this attribute, resulting in a return to only an ordinary performing or performing under observation status, the following conditions must be met simultaneously:

- at least 24 months have passed since the assignment of the forborne performing attribute (so-called probation period);
- the debtor has made, after the application of the forbearance, regular payments of principal or interest on the credit line subject to the forbearance for a total amount equal to at least 5% of the residual principal debt recorded at the time of application of the forbearance; these payments must have been made at such times and in such a way as to ensure full compliance with the contractual obligations for a period, even if not continuous, equal to at least half of the probation period;
- the debtor does not have any past due loan exceeding 30 days in relation to any of the relationships existing with the respective Group bank at the end of the probation period.



## Quantitative information

### A. Credit quality

#### A.1.4 Prudential consolidation - On-balance and off-balance-sheet credit exposures to banks: gross and net values

TYPES OF LOANS/ VALUES	Gross exposure					Writedowns and total allocations					Net exposure	Total partial write-offs*
	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired				
A. ON-BALANCE-SHEET CREDIT EXPOSURES												
A.1 ON DEMAND	109	109	-	-	-	-	-	-	-	-	109	-
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	109	109	-	X	-	-	-	-	X	-	109	-
A.2 OTHER	1,580	1,575	-	-	-	-	-	-	-	-	1,580	-
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Impaired past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	1,580	1,575	-	X	-	-	-	-	X	-	1,580	-
of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	1,689	1,684	-	-	-	-	-	-	-	-	1,689	-
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Impaired	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	627	280	-	X	-	-	-	-	X	-	627	-
TOTAL (B)	627	280	-	-	-	-	-	-	-	-	627	-
TOTAL (A+B)	2,316	1,964	-	-	-	-	-	-	-	-	2,316	-

\* Value to be displayed for information purposes

## A.1.5 Prudential consolidation – On-balance and off-balance-sheet credit exposures to customers: gross and net values

TYPES OF LOANS/ VALUES	Gross exposure					Writedowns and total allocations					Net exposure	Total partial write-offs*
		Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit- impaired		
A. ON-BALANCE-SHEET CREDIT EXPOSURES												
a) Non-performing	533	X	-	531	1	486	X	-	485	1	47	229
of which: forborne exposures	144	X	-	143	1	137	X	-	136	1	7	59
b) Unlikely to pay	1,149	X	-	1,137	12	884	X	-	875	8	265	20
of which: forborne exposures	588	X	-	580	8	482	X	-	475	6	106	18
c) Impaired past due exposures	85	X	-	85	-	37	X	-	37	-	48	-
of which: forborne exposures	3	X	-	3	-	1	X	-	1	-	2	-
d) Performing past due exposures	650	265	385	X	-	51	4	47	X	-	599	-
of which: forborne exposures	39	-	39	X	-	4	-	4	X	-	35	-
e) Other performing exposures	83,341	79,294	3,943	X	11	604	193	410	X	1	82,737	-
of which: forborne exposures	579	1	573	X	5	48	-	48	X	-	531	-
TOTAL (A)	85,758	79,559	4,328	1,753	24	2,062	197	457	1,397	10	83,696	249
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Impaired	96	X	-	96	-	36	X	-	35	-	60	-
b) Performing	14,052	13,020	898	X	-	81	67	14	X	-	13,971	-
TOTAL (B)	14,148	13,020	898	96	-	117	67	14	35	-	14,031	-
TOTAL (A+B)	99,906	92,579	5,226	1,849	24	2,179	264	471	1,432	10	97,727	249

\* Value to be displayed for information purposes

At 30 June 2025, loans that constitute new liquidity granted through public guarantee mechanisms issued in the context of COVID-19 amounted to EUR 2,628 million, compared to EUR 3,218 million at 31 December 2024. See below for the gross exposure and total write-downs, grouped by risk stage and by “purchased or originated credit-impaired”, split into the different categories of impaired/performing assets.

TYPES OF LOANS/VALUES	Gross exposure					Write-downs and total allocations					Net exposure
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
A. Non-performing loans	59	-	-	59	-	47			47	-	12
B. Unlikely to pay	97	-	-	96	1	51			50	1	46
C. Impaired past due loans	9	-	-	9	-	2			2	-	7
D. Other performing past due loans	20	3	17	-	-	1	-	1		-	19
E. Other performing loans	2,574	2,275	298	-	1	30	10	20		-	2,544
<b>TOTAL (A+B+C+D+E)</b>	<b>2,759</b>	<b>2,278</b>	<b>315</b>	<b>164</b>	<b>2</b>	<b>131</b>	<b>10</b>	<b>21</b>	<b>99</b>	<b>1</b>	<b>2,628</b>

## 1.2 MARKET RISK

### 1.2.1 Interest rate risk and price risk – regulatory trading book

#### Qualitative information

##### A. General aspects

The Planning Department of the Parent Company and the Finance Department of the Affiliated Banks plan the investment choices relating to the trading book in accordance with the guidelines shared within the Group through the periodic portfolio management strategy documents and in compliance with any amounts of investment defined by the Board of Directors.

During the period, the management strategy for the proprietary portfolio established that the trading book activity was limited to financial instruments held for intermediation with banking and non-banking customers and to derivatives entered into for hedging risks not otherwise included in the banking book.

##### B. Management processes and measurement methods relative to interest rate and price risk

###### Interest rate risk - Regulatory trading book

The measurement of interest rate risk on the regulatory trading book, related to the securities component, is supported by the daily reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR, Value at Risk). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk). The calculation of volatilities and correlations is made by assuming a future distribution of risk factor returns equal to the historical distribution over a given time horizon.

To support the definition of the structure of its internal limits, important strategic choices, or specific analyses, simulations of purchases and sales of financial instruments within its asset allocation are available, obtaining an updated calculation of the new risk exposure in terms of both VaR and Modified Duration.

The monitoring of market risk exposure is also carried out using the Montecarlo fat-tailed method, which uses a procedure to simulate the returns of risk factors on the basis of past volatility and correlation data, generating 10,000 random scenarios consistent with the market situation. An additional measure introduced to assess market risk is the expected shortfall, calculated with both the historical method and the Montecarlo method.

Additional risk statistics derived from VaR (such as Marginal VaR, Incremental VaR and Conditional VaR), measures of sensitivity of income instruments (Modified Duration) and analyses linked to the evolution of correlations between the various risk factors present are monitored through reporting.

The analyses are available at different levels of detail: on the entire trading book and within the latter on groupings by type of instrument (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate), up to the individual securities present.

Of particular importance is also the backtesting of the VaR model used daily, carried out on the entire portfolio of securities owned by comparing the VaR – calculated at 99% and over the daily time period – with the actual changes in the theoretical market value of the portfolio.

Daily stress tests are available on the theoretical market value of the own securities portfolio through which changes in the theoretical countervalue of the trading book and the various groupings of instruments (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate) present in it are studied with respect to certain market scenarios. As part of risk management strategies, various scenarios on the bond and equity front are monitored for a complete and improved analysis of the portfolio.

The reports described are monitored by the Risk Management Department, the Planning Department of the Parent Company, and Finance Department of the Affiliated Banks, and periodically submitted to the Board of Directors.

In addition, an automatic email alert is active if the risk limits envisaged in the internal regulations are exceeded.

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

### **Price risk - Regulatory trading book**

In line with the section on interest rate risk - regulatory trading book, the measurement of price risk on the regulatory trading book is supported by the reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (interest rate risk, equity risk, foreign exchange risk and inflation risk).

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

Information about the VaR calculations for the securities component of the regulatory trading book during the course of the first half of 2025 is reported below:

Figures rounded to nearest euro unit

VaR 30/06/2025	Average VaR	Minimum VaR	Maximum VaR
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As at 30 June 2025, there were no securities in the regulatory trading book, according to the strategic guidelines established by the Parent Company.

## Quantitative information

### 2. Regulatory trading book: breakdown of exposures in equities and stock market indices for the main countries of the listed market

At the end of the reporting period, the Group did not hold financial assets attributable to this scenario.

### 3. Regulatory trading book: internal models and other methodologies for sensitivity analysis

The measurement of price risk on the trading book is supported by reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk).

The VaR measurement is available daily for monitoring and operational evaluations carried out by the Risk Management Department and the Planning Department of the Parent Company and the Finance Department of the Affiliated Banks, and is calculated on various levels of detail which, in addition to the Total portfolio, consider the Banking portfolio, the business models, the various groupings by type of instrument (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate), up to the individual securities present.

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

## 1.2.2 INTEREST RATE RISK AND PRICE RISK - BANKING BOOK

### Qualitative information

#### A. General aspects, management processes and measurement methods for interest rate and price risk

##### Interest rate risk - Banking book

###### Primary sources of interest rate risk

The sources of the interest rate risk to which the Group is exposed can be identified mainly in the lending, funding and finance processes, since the banking book consists mainly of loans and the various forms of funding from customers.

In particular, 'fair value' interest rate risk is derived from fixed-rate items while interest rate risk from cash flows is derived from variable-rate items.

However, items on demand generally include asymmetrical behaviours, depending on whether one considers liability or asset items; the former - being characterised by greater stability - primarily refer to fair value risk while the second are more sensitive to market changes and therefore ascribable to cash flow risk.

###### Internal management processes and measurement methods for interest rate risk

The Group has put in place appropriate mitigation and control measures aimed at avoiding the possibility of positions exceeding a certain level of objective risk.

These mitigation and control measures are applied within the framework of corporate regulations aimed at setting up monitoring processes based on position limits and systems of attention thresholds in terms of internal capital, beyond which appropriate corrective actions are triggered.

With regard to this point, the following are defined:

- policies and procedures for managing interest rate risk that are consistent with the nature and complexity of the activity carried out;
- measurement metrics consistent with the risk measurement methodology adopted by the Group, on the basis of which an early warning system has been defined that allows for the timely identification and activation of appropriate corrective measures;
- operational limits and internal procedural provisions which aim to maintain exposure within limits that are consistent with the managerial policy and with the alert thresholds pursuant to prudential regulations.

From an organisational point of view, the Group has identified the Planning Department of the Parent Company and the Finance Departments of the Affiliated Banks as the structures responsible for overseeing this process of managing interest rate risk on the banking book.

The monitoring of interest rate risk exposure on the banking book is carried out on a monthly basis.

With regard to the risk measurement methodology in terms of change in economic value and change in interest margin, the Group has decided to use the calculation framework provided by the EBA guidelines (EBA/GL/2022/14) which is based on the following elements:

- sensitivity analysis to economic value: the calculation engine allows the quantification of the difference in fair value of financial statement items calculated according to the Discounted Cash Flow method using first a base curve (without

shock) and then a shocked curve. The reports can be prepared individually or aggregated on the basis of their specific financial characteristics;

- margin sensitivity analysis: the calculation engine allows the quantification of the difference in the interest margin against specific expected rate scenarios (baseline or adverse) or one or more rate shocks (parallel or otherwise), assuming the reinvestment of maturing (assuming of constant volumes) or rate-revising flows (indexed ratios) at forward rates over a predefined time period (e.g. twelve months);
- treatment of behavioural models: the calculation engine allows for the behavioural models to be taken into account in the analysis (value and margin); in 2024, an update was applied to the model of items on demand, estimated using Group data and the prepayment model was enhanced, applied to loans repayable in instalments, with the introduction of "scenario dependency", namely the representation of the phenomenon of early repayments on the basis of the different shock scenarios applied.

The Group determines the internal capital for interest rate risk according to the model of the change in economic value shown above, applying a parallel rate shock of +/- 200 basis points.

Additional stress scenarios, as indicated in the relevant legislation, are determined to assess the impacts of non-parallel curve shifts (steepening, flattening, short rates up and down) and from cases established internally within the Group. From June 2024, with the introduction by regulation of the SOT (supervisory outlier test) also on the NII (net interest income), the Group has adapted its rate risk monitoring process on the Interest Margin by calculating and monitoring the respective levels of "large decline".

The risk indicator is represented in the RAF (Risk Appetite Framework) by the ratio between the internal capital thus calculated and the value of CET 1. At consolidated level, the Parent Company monitors the Group's positioning with respect to the attention thresholds of 15% for the Economic Value and 5% for the Interest Margin set by EBA's Guidelines and Regulatory Technical Standards (RTS). If the risk indicator exceeds the thresholds set out in the RAF, the appropriate recovery initiatives are activated.

### **Price risk - Banking book**

In line with the section on interest rate risk - regulatory trading book, the measurement of price risk on the banking book is supported by the reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk).

The VaR measurement is available daily for monitoring and operational evaluations carried out by the Risk Management Department and the Planning Department of the Parent Company and the Finance Department of the Affiliated Banks, and is calculated on various levels of detail which, in addition to the Total portfolio, consider the Banking portfolio, the business models, the various groupings by type of instrument (Equities, Funds, Fixed Rate and Government, Supranational and Corporate variable rate), up to the individual securities present.

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

Information about the VaR calculations for the securities component of the banking book during the first half of 2025 is reported below:

Figures rounded to nearest euro unit

VaR 30/06/2025	Average VaR	Minimum VaR	Maximum VaR
388,181,100	548,786,612	377,488,684	1,011,259,253

Control over the reliability of the model is implemented through theoretical backtesting activities which verify daily changes in the market value of the banking book, as calculated by the model with an estimate of the expected loss for the day. At portfolio level the previous model did not identify any significant overruns in the year.

The first half 2025 saw a continuation, with respect to VaR, of the quantification of issuer risk for government securities and therefore country risk, understood as VaR relating only to the risk factor "Credit Spread", expressed as the spread between the Italian government bond curve and the risk-free curve, understood as the reference monetary curve for each currency in which the bond is denominated. VaR and Expected Shortfall metrics were also calculated only on the Italian Government bonds segment.

With regard to stress tests, the outcomes of simulations of the impact of different shock scenarios on the theoretical value of the portfolio on 30 June 2025 is reported below. The shocks replicate parallel movements of +/-25 and +/-50 basis points for the primary rate curves that were used in the valuation of securities within the owned portfolio.

Figures rounded to nearest euro unit

Theoretical value at 30/06/2025	Shock value changes -25 bps	Shock value changes +25 bps	Shock value changes -50 bps	Shock value changes +50 bps
34,702,308,840	+317,880,889	-311,843,076	+642,038,366	-617,856,027

## Quantitative information

### 2. Banking book: internal models and other methodologies for sensitivity analysis

For management purposes, the Group quantifies on a monthly basis the impacts deriving from parallel and non-parallel curve shocks, both for the change in economic value and for the change in the interest margin.

On the basis of the analyses as at 30 June 2025, assuming a change in interest rates of +/-100 basis points, the effects relating to the change in the economic value and the interest margin are shown, then compared to the value of the Tier 1, therefore adapting the calculation to the new indicator established by RTS/2022/10.

Figures rounded to nearest euro unit

CHANGE IN ECONOMIC VALUE	Scenario +100 basis points	Scenario -100 basis points
Banking book: loans	(1,270,814,520)	1,333,990,108
Banking book: securities	(1,294,037,663)	1,412,093,409
Other assets	(13,417,695)	14,508,659
Liabilities	2,036,037,925	(2,212,907,995)
<b>Total</b>	<b>(542,231,953)</b>	<b>547,684,181</b>
Tier1	9,019,813,504	9,019,813,504
% Impact on Tier 1	(6.01%)	6.07%



Figures rounded to nearest euro unit

CHANGE IN INTEREST MARGIN	Scenario +100 basis points	Scenario -100 basis points
Banking book: loans	216,552,080	(215,666,394)
Banking book: securities	80,744,647	(81,087,165)
Other assets	31,757,720	(31,556,411)
Liabilities	(173,304,911)	168,759,056
<b>Total</b>	<b>155,749,536</b>	<b>(159,550,913)</b>
Tier1	9,019,813,504	9,019,813,504
% Impact on Tier 1	1.73%	(1.77%)

## 1.2.3 EXCHANGE RATE RISK

### Qualitative information

#### A. General aspects, management processes and measurement methods for exchange rate risk

In line with the section on interest rate risk - regulatory trading book, the measurement of exchange rate risk relating to foreign currency income instruments held is supported by the reports provided by the Risk Management Department of the Parent Company, which highlights the value at risk of the investment (VaR). This is calculated using RiskMetrics applications, on the basis of the historical method, over a 10-day period and with a 99% confidence interval, taking into account the volatilities and correlations between the various risk factors that determine the market risk exposure of the invested portfolio (including interest rate risk, equity risk, foreign exchange risk and inflation risk).

The risk measurement model described is not utilised to determine capital requirements but represents a tool to support management and internal control of the risk.

#### B. Exchange rate risk hedging activities

Exchange rate risk hedging activities are implemented through a careful policy of essentially balancing booked foreign currency positions. To this end, in the first half of 2025 the Group carried out transactions to hedge the exchange rate risk using outright derivatives.

## 1.4 LIQUIDITY RISK

### Qualitative information

#### A. General aspects, management processes and measurement methods for liquidity risk

Liquidity risk is defined as the possibility that the Group may not be able to meet its payment commitments due to the inability to raise new funds and/or sell its assets on the market (Funding Liquidity Risk), or that it may be forced to incur very high costs to meet these commitments (Market Liquidity Risk). Funding liquidity risk can be divided into: (i) Mismatching Liquidity Risk, consisting of the risk associated with the different time profile of cash inflows and outflows determined by the misalignment of the maturities of financial assets and liabilities on (and off) the balance sheet; (ii) Contingency Liquidity Risk, i.e. the risk that unexpected events may require a higher amount of cash and cash equivalents than estimated as necessary; and (iii) Margin Calls

Liquidity Risk, i.e. the risk that the Group, in the event of adverse changes in the fair value of financial instruments, is contractually required to restore the reference margins by means of collateral/cash margins.

In this regard, it should be noted that the Delegated Regulation of the European Commission (EU) no. 61/2015 introduced the Liquidity Coverage Requirement (LCR) for credit institutions (hereinafter "DR-LCR"). The LCR is a short-term rule aimed at ensuring the availability of liquid assets by individual banks that allow them to survive in the short to very short term in the event of acute stress, without recourse to the market. The indicator compares the liquid assets available to the Group with net cash outflows (difference between gross outflows and inflows) expected over a 30-day time period, the latter developed taking into account a predefined stress scenario: a 100% requirement must be met. The DR-LCR integrates and, in part, amends the provisions of Regulation no. 575/2013 (CRR) which provides only for obligations of a reporting nature.

Liquidity risk can be generated by various factors both internal and external to the Group. The sources of liquidity risk can therefore be distinguished in the following macro-categories:

- endogenous: represented by negative events specific to the Group (e.g. deterioration of the Group's creditworthiness and loss of confidence on the part of creditors);
- exogenous: when the origin of the risk can be traced back to negative events not directly controllable by the Group (political crises, financial crises, catastrophic events, etc.) that cause situations of liquidity tension in the markets;
- combinations of the above.

The identification of the factors from which liquidity risk is generated is carried out by means of the following:

- the analysis of the time distribution of cash flows of financial assets and liabilities and off-balance sheet transactions;
- the identification of:
  - items that do not have a defined due date (on demand and revocation items);
  - financial instruments that incorporate optional components (explicit or implicit) that may change the entity and/or the time distribution of cash flows (e.g. early redemption options);
  - financial instruments that by their nature determine variable cash flows depending on the performance of specific underlying assets (e.g. derivatives);
- the analysis of the level of seniority of financial instruments.

The processes in which the Group's liquidity risk arises are mainly represented by the Finance/Treasury, Funding and Credit processes.

The internal regulation of liquidity risk management meets the requirements set out in the regulatory provisions and guarantees consistency between the management measurements and the regulatory ones.

The Group adopts a liquidity risk management and governance system which, in accordance with the provisions of the Supervisory Authorities and on the basis of the guidelines defined by the Parent Company, pursues the objectives of:

- being liquid at all times and, therefore, to remain in a position to meet its payment obligations in situations of both normal business and stress;
- financing its activities at the best current and prospective market conditions.

To this end, in its function as a strategic Supervisory Authority, the Board of Directors of the Parent Company and of each Affiliated Bank defines the strategies, policies, responsibilities, processes, risk objectives, tolerance thresholds and limits to exposure to liquidity risk (operating and structural), as well as instruments for liquidity risk management - related to membership of the Cooperative Banking Group - by formalising its internal regulations on liquidity risk management and governance.

The Group's liquidity is managed by the Planning Department of the Parent Company and by the Finance Department of the Affiliated Banks in accordance with the aforementioned strategic guidelines. To this end, it makes use of the commitment forecasts made through internal procedures where information on forecast cash requirements and availability can be found. The organisational controls of liquidity risk are defined in terms of line controls and activities of the control functions at level II and III. Liquidity risk is controlled by the Risk Management Department of the Parent Company, which makes use of its representative at the Affiliated Banks to check the availability of sufficient liquidity reserves to ensure solvency in the short term and diversification of sources of funding and, at the same time, to maintain a substantial balance between average maturities of lending and funding in the medium/long term.

The Group intends to pursue a dual objective:

- the management of operating liquidity aimed at verifying the Group's ability to meet expected and unforeseen short-term (up to 12 months) cash payment commitments;
- structural liquidity management aimed at maintaining an adequate ratio between total liabilities and medium/long-term assets (over 12 months).

The Group has structured its control of short-term operating liquidity on two levels:

- the first level provides for daily supervision of the treasury position;
- the second level provides for monthly monitoring of the overall operating liquidity position.

With reference to the monthly monitoring of the overall operating liquidity position, the Group uses the analysis reports available monthly prepared by the Parent Company.

Monthly measurement and monitoring of the operating liquidity position is carried out by means of the following methods:

- the LCR indicator, for the 30-day liquidity position, as determined on the basis of the DR-LCR and transmitted (according to the template developed by the EBA) on a monthly basis to the Supervisory Authority;
- its liquidity position by means of the time to survival indicator, designed to measure the ability to cover the liquidity imbalance generated by inertial operations of balance sheet items;
- a set of summary indicators aimed at highlighting vulnerabilities in the Group's liquidity position in reference to the degree of concentration of loans and deposits with the main counterparties;
- analysis of the level of asset encumbrance and quantification of readily monetised assets.

In particular, as regards the concentration of funding sources at the end of the reporting period, the incidence of funding from the top 10 counterparties (private and Non-financial corporations) on the Group's total funding from customers is 0.8% as at 30 June 2025.

The Group's exposure to unexpected cash outflows mainly relates to:

- items that do not have a defined maturity (primarily current account liabilities and unrestricted deposits);
- liabilities at maturity (certificates of deposit, term deposits) which, at the request of the depositor, can be repaid early;
- its own bonds, for which the Group operates in order to guarantee liquidity on the secondary market;
- commitments to exchange collateral arising from margining agreements relating to OTC derivative transactions;
- the margins available on the credit lines granted.

With reference to the management of structural liquidity, the Group uses the analysis reports available monthly prepared by the Parent Company.

The Net Stable Funding Ratio, consisting of the ratio between stable sources of funding and medium/long-term assets, is measured monthly from reporting and management sources by means of the percentages set out in the Regulation (EU) no. 2019/876 (CRR2).

In order to assess its vulnerability to exceptional but plausible liquidity stress situations, the Group calculates and monitors the LCR indicator as determined on the basis of the DR-LCR and transmitted (according to the template developed by the EBA) on a monthly basis to the Supervisory Authority. Periodic scenario stress tests are also conducted. The latter, conducted according to a qualitative approach based on the company's experience and the indications provided by the regulations and supervisory guidelines, cover two scenarios of liquidity, market/systemic and Group-specific crises. In particular, the Group performs the stress analysis by extending the scenario covered by the LCR regulation, with the aim of assessing the impact of additional load tests.

Over the last few years, additional stress scenarios linked to the pandemic crisis have been introduced (which affects the inflow component) and climate risk (both physical and transition). The results of the analyses carried out are periodically documented to the Board of Directors.

On the basis of the guidelines defined by the Parent Company, crisis, system/market early warning indicators have been identified, i.e. a set of qualitative and quantitative measurements useful for identifying signs of a potential increase in exposure to liquidity risk. These indicators represent, together with the results of liquidity risk measurement, an important information element for the activation of liquidity risk mitigation measures.

With regard to the Contingency Funding Plan (CFP), i.e. the organisational and operational procedures to be implemented to deal with situations of alert or liquidity crisis, it should be noted that management is centralised at the Parent Company; it follows that in the event of any critical issues regarding the liquidity profile encountered at the level of individual banks belonging to the Group, it is the Parent Company that intervenes using the resources available to the entire Group. The CFP is therefore only activated if there is a problem with the consolidated values of the Cassa Centrale Group. The Group's CFP defines the statuses of non-ordinary operations and the processes and tools for their activation/management (roles and responsibilities of the corporate bodies and organisational units involved, systemic and specific crisis early warning indicators, procedures for monitoring and activating non-ordinary operations, crisis management strategies and tools).

Traditionally, the Group has had a significant amount of liquid resources due to both the composition of its liquidity buffer, consisting mainly of high-quality financial instruments eligible for refinancing operations with the Eurosystem, and the adoption of funding policies aimed at favouring direct retail funding.

As at 30 June 2025, the total amount of free cash reserves, understood as high-quality liquid assets calculated for the purposes of determining the Liquidity Coverage Ratio (LCR), stood at EUR 30.9 billion.

## 1.5 OPERATIONAL RISK

### Qualitative information

#### A. General aspects, management processes and measurement methods for operational risk

Operational risk, as defined by prudential regulations, is the risk of sustaining losses deriving from the inadequacy or dysfunction of procedures, human resources and internal systems or those caused by exogenous events.

This definition includes legal risk (i.e. the risk of suffering losses resulting from violations of laws or regulations, contractual or non-contractual liability or other disputes), but does not consider reputational and strategic risk.

Operational risk therefore refers to different types of events that are not individually relevant and are quantified jointly for the entire risk category.

Operational risk - which is inherent in the performance of banking activities - is generated across all company processes. In general, the primary sources of operating risk are internal fraud, external fraud, workplace employment and safety reports, professional obligations with respect to clients or the nature and characteristics of products as well as damages from external events and the breakdown of IT systems and deficiencies in the handling of transactions or process management, as well as losses due to positions with commercial counterparties and suppliers.

The following subcategories of risk are significant in terms of operational risks:

- “ICT and security” risk, namely the risk of incurring losses due to a breach of confidentiality, lack of integrity of the systems and data, inadequacy or unavailability of the systems and data or inability to replace the information technology (IT) within a reasonable time and cost limits, in case of changes to the requirements of the external environment or activity (agility), as well as security risks arising from inadequate or incorrect internal processes or external events, including cyber attacks or a level of inadequate physical security;
- “third-party risk”, namely the risk of incurring economic losses, damage to reputation or market share losses arising from the outsourcing/supply of services and/or company functions.

Given that it is a transversal risk across processes, operational risk can be controlled and mitigated through currently effective regulations (regulations, executive provisions, proxies) which operate primarily for the purposes of prevention. Specific line controls are then set up on the basis of these regulations as a verification and additional system for monitoring this type of risk.

Currently effective regulations are also applied to IT procedures with the aim of constantly monitoring the correct assignment of authorisation as well as compliance with functional subdivisions on the basis of company roles.

Regulations and line controls are governed by the Board of Directors, implemented by the Management and updated, as a rule, by specialist managers.

With reference to organisational controls, the establishment of the Compliance function is important, outsourced to the Parent Company, which is responsible for monitoring and controlling compliance with regulations and which provides support to the process of preventing and managing the risk of being subject to judicial or administrative sanctions as well as the risk of reporting significant losses following the violation of external regulations (laws or regulations) or internal ones (Articles of Association, codes of conduct, corporate governance codes). The Compliance Department also operates through its own representatives identified within the individual Group banks.

In addition, second-level controls are envisaged regarding the checks on the risks associated with the management of the IT system and the operations of employees.

The operational risk management process consists of the following steps:

- identification and assessment, which includes the detection, collection and classification of quantitative and qualitative information relating to operational risk; these risks are constantly and clearly identified, reported and relayed to top management;
- measurement, which includes the activity of determining operational risk exposure based on information collected at the identification stage;
- monitoring and control, which includes activities concerning the regular monitoring of the operational risk profile and exposure to significant losses, through the provision of a regular information flow that promotes active risk management;
- risk management, which includes activities aimed at containing operational risk consistently with the established risk appetite, implemented by intervening on significant risk factors or through their transfer, through the use of insurance coverage or other instruments;
- reporting, activities aimed at preparing information to be transmitted to corporate bodies (including control bodies) and to all corporate structures involved, regarding the risks assumed or assumable.

During the financial year, the Group, under the coordination of the Parent Company, has implemented a procedure for the recognition of operational loss events and the related economic effects. Furthermore, assessments were carried out for the prospective measurement of operational risk (Risk and Control Self-Assessment – RCSA) and analysis activities were launched for the risk generated by operations with third parties (third-party risk management) using a tool prepared by the Parent Company.

Finally, there are the third level controls carried out by the Internal Audit Department of the Parent Company, which periodically reviews the functionality of the control system as part of the various corporate processes.

As part of the overall assessment, with specific reference to the risk component linked to the outsourcing or supply of business processes/activities, it should be noted that the Group mainly uses the services offered by the Parent Company and its instrumental companies. These circumstances constitute a mitigation of the risks assumed by the Group in outsourcing or supplying essential or important control functions (ICF).

With regard to all the existing outsourcing/supply profiles, the procedures have been activated to ascertain the correct performance of the supplier's activities by preparing, according to the different types, risks and relevance of the service, different levels of contractual protection and control.

The Group internally maintains the expertise required to effectively control the outsourced essential or important functions and to manage the risks associated with supplies, including those arising from potential conflicts of interest of the service provider. In this context, an internal contact representative has been identified within the organisation for each of the outsourced activities, with adequate professional requirements, responsible for monitoring the level of services provided by the outsourcer and set out in the respective contracts and for reporting to corporate bodies on the status and performance of the outsourced/supplied functions.

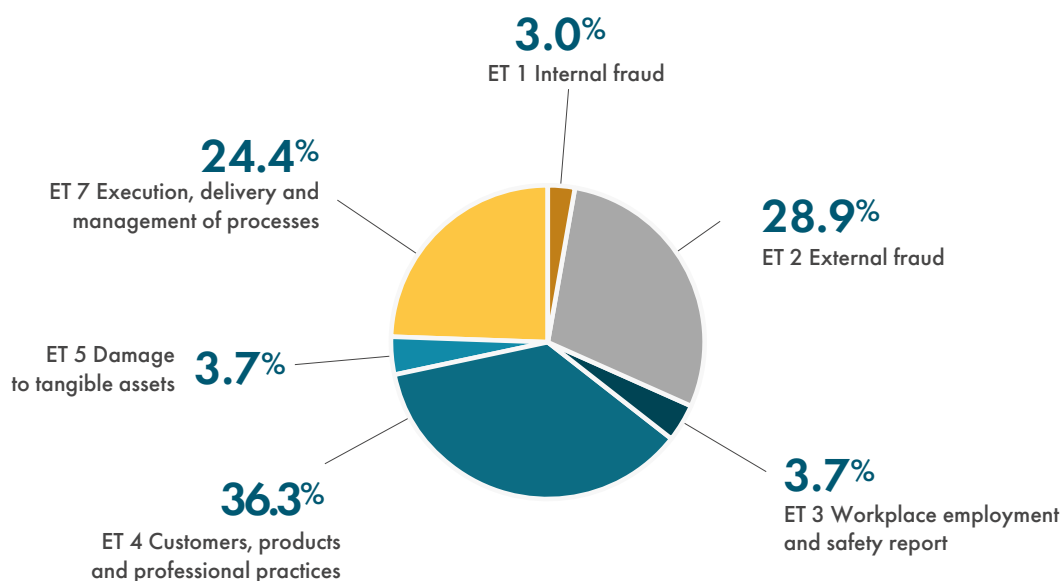
With reference to the regulatory measurement of the prudential requirement for operational risks, the Group applies the new Standard Model, which is the only method for assessing operational risks, as the Basel Committee decided to eliminate all previous methods (BIA, TSA and AMA).

The adoption of a Business Continuity and Emergency Plan to protect the Group against critical events that may affect its overall operations is also part of the measures to mitigate these risks.

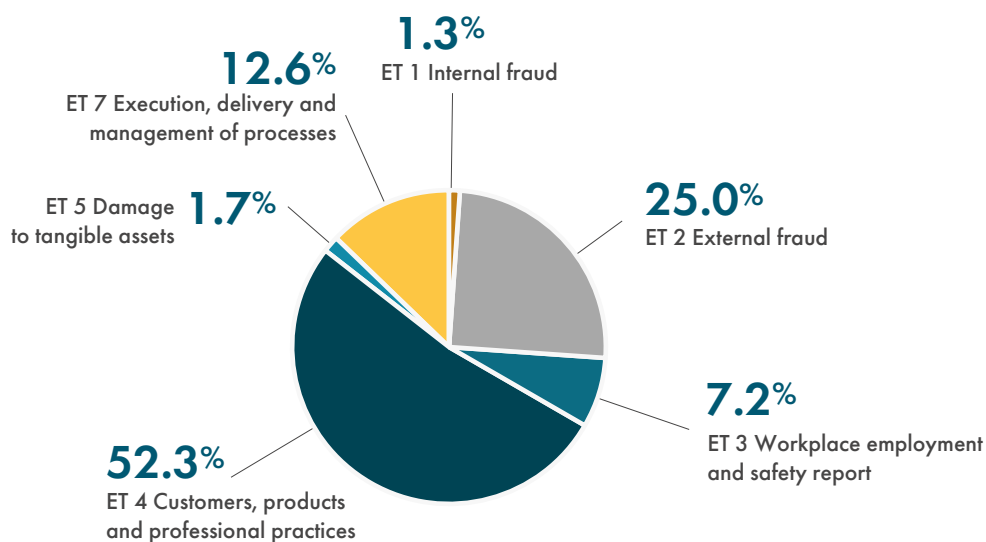
## Quantitative information

With reference to the quantitative information, in continuation of the activity already started in previous years, in relation to the structured process of Loss Data Collection at the Group<sup>19</sup>, the distribution by Event Type is reported.

### Number of operational loss events with effects recorded in the first half of 2025



### Net operating losses in the first half of 2025



<sup>19</sup> As at 30 June 2025, the process of recording Operational Risk events in the Loss Data Collection company tool was active for the Affiliated Banks, Allitude S.p.A., Claris Leasing S.p.A. and Prestipay S.p.A.

Operational losses were mainly concentrated in the event type “ET 4 Customers, products and professional practices” (36.3% of frequencies and 52.3% of total impacts detected), followed by “ET 2 External fraud” (28.9% of frequencies and 25.0% of total impacts detected) and “ET 7 Execution, delivery and management of processes” (24.4% of frequencies and 12.6% of total impacts detected).

## Legal risk

In carrying out their activities, the Group companies may be involved in legal disputes and proceedings. For these disputes and proceedings, adequate provisions have been made in the financial statements based on the reconstruction of the amounts potentially at risk, the assessment of the risk carried out according to the degree of “probability” and/or “possibility” as defined by IAS 37 and taking into account the most consolidated case law on the subject. Therefore, although it is not possible to predict with certainty the final outcome, it is believed that any unfavourable result of these proceedings would not have, either individually or as a whole, a significant negative effect on the financial and economic situation of the Group. For more detailed information, please refer to Part B, Section 10 - Provisions for risks and charges.



# PART F - Information on consolidated equity

## Section 1 – CONSOLIDATED EQUITY

### A. Qualitative information

Equity is the main safeguard against corporate risks associated with the Group's activities. It represents a fundamental reference parameter for solvency assessments, conducted by the Supervisory Authorities and by the market, and is the best element for effective management, both from a strategic point of view and in terms of current operations, as it is a financial element capable of absorbing possible losses produced by the Group's exposure to all the risks assumed. In addition, it also plays an important role in terms of guaranteeing depositors and creditors in general.

For this purpose, the international and local Supervisory Authorities have established strict requirements for determining the regulatory capital and the minimum capital requirements that credit institutions must comply with.

The capital to which the Group refers is that defined by EU Regulation no.575/2013 (CRR), as amended, in the notion of Own Funds and is divided into the following components:

- Tier 1 capital, consisting of Common Equity Tier 1 capital (CET 1) and Additional Tier 1 capital (AT1);
- Tier 2 capital - (T2).

In this, particular importance is represented by:

- a careful profit distribution policy, which in compliance with the provisions of the sector, entails a significant allocation to the profit reserves by the Affiliated Banks;
- prudent management of investments, which takes into account the risk of counterparties;
- capital strengthening plans promoted by the Parent Company through the issue of equity instruments and subordinated securities.

All this is pursued within the scope of compliance with capital adequacy by determining the level of internal capital necessary to face the risks assumed, from a current and future perspective, as well as in stressful situations, and taking into account the company objectives and strategies in the contexts in which the Group operates. These assessments are carried out annually in conjunction with the definition of the budget objectives and, if necessary, in view of extraordinary transactions involving the Group companies.

Moreover, at least every quarter, compliance with the minimum capital requirements, envisaged by the provisions in force, as per Art. 92 of the CRR shall be verified, based on which:

- the value of Common Equity Tier 1 capital in relation to total risk-weighted assets must be at least 4.5% (CET 1 capital ratio);
- the value of Tier 1 capital in relation to total risk-weighted assets must be at least 6.0% (T1 capital ratio);
- the value of own funds in relation to total risk-weighted assets must be at least 8.0% (total capital ratio).

The Capital Conservation Buffer of 2.5% was added to these minimum regulatory requirements.

Additionally, from 31 December 2024 a new systemic risk capital reserve (Systemic Risk Buffer, SyRB) is active, equal to 0.5% of the material exposure, formed of high-quality capital. From 30 June 2025, the target coefficient of 1% will be applied to the aforesaid reserve, in line with the relevant regulatory provisions.

Any failure by the Supervised Entity to comply with all these requirements (the Combined Requirement) will result in limitations on dividend distributions, variable remuneration and other elements of regulatory capital beyond pre-established limits, and as a result, Supervised Entities will be required to take appropriate action to restore the required level of capital.

Moreover, as of 1 January 2016, the Banks are required to hold a Countercyclical Capital Buffer. Starting from 1 January 2019, this reserve, consisting of Common Equity Tier 1, may not exceed 2.5% of the total amount of risk-weighted exposures.

Considering that, as per Bank of Italy notice of 28 March 2025, for the second quarter of 2025, the countercyclical buffer ratio for exposures to counterparties resident in Italy has been set at 0%, that countercyclical capital ratios have generally been set at 0%, and that the Group has mainly exposures to domestic entities, the Group-specific countercyclical ratio is close to zero.

Lastly, the Group must comply with the provisions deriving from the Supervisory Review and Evaluation Process (SREP) pursuant to Art. 97 et seq. of EU Directive no. 36/2013 (CRD IV). Through this process, the Competent Authority reviews and evaluates the process of determining capital adequacy conducted internally by the Group, analyses its risk profiles both individually and in the aggregate — including under stress conditions — assesses its contribution to systemic risk, the corporate governance system, and verifies compliance with the set of prudential rules.

At the end of the reporting period of these consolidated financial statements, the Group shows:

- a ratio of Common Equity Tier 1 capital - CET 1 - to risk-weighted assets (CET 1 ratio) of 27.30%;
- a ratio of Tier 1 capital to risk-weighted assets (Tier 1 capital ratio - Tier 1 ratio) of 27.30%;
- a ratio of own funds to risk-weighted assets (total capital ratio) of 27.30%.

The amount of own funds is not only fully sufficient on all three binding capital levels, but also adequate to cover the Capital Conservation Buffer.

## B. Quantitative information

### B.1 Consolidated accounting capital: breakdown by type of company

Items of equity	Prudential consolidation	Insurance companies	Other companies	Eliminations and consolidation adjustments	Total
1. Share Capital	1,281	-	-	-	1,281
2. Share premium	79	-	-	-	79
3. Reserves	8,672	-	68	(68)	8,672
4. Equity instruments	1	-	-	-	1
5. (Own shares)	(869)	-	-	-	(869)
6. Valuation reserves:	116	-	1	(1)	116
- Equities measured at fair value through other comprehensive income	25	-	-	-	25
- Hedging of equities measured at fair value through other comprehensive income	-	-	-	-	-
- Financial assets (other than equities) measured at fair value through other comprehensive income	64	-	1	(1)	64
- Tangible assets	3	-	-	-	3
- Intangible assets	-	-	-	-	-
- Hedging of foreign investments	-	-	-	-	-
- Cash flow hedging	-	-	-	-	-
- Hedging instruments [undesignated elements]	-	-	-	-	-
- Exchange rate differences	-	-	-	-	-
- Non-current assets and groups of assets held for disposal	-	-	-	-	-
- Financial liabilities designated at fair value through profit or loss (changes in credit rating)	-	-	-	-	-
- Actuarial gains (losses) from defined benefit plans	(12)	-	-	-	(12)
- Quota of reserves from the valuation of shareholdings measured with the equity method	2	-	-	-	2
- Financial revenues or costs relating to insurance contracts issued	-	-	-	-	-
- Financial revenues or costs relating to reinsurance transfers	-	-	-	-	-
- Special revaluation laws	34	-	-	-	34
7. Profit (Loss) for the year (+/-) of the group and pertaining to minority interests	590	-	36	(36)	590
<b>Total</b>	<b>9,870</b>	<b>-</b>	<b>105</b>	<b>(105)</b>	<b>9,870</b>

## Section 2 – OWN FUNDS AND ADEQUACY RATIOS

With regard to the contents of this section, reference should be made to the information on own funds and capital adequacy contained in the disclosure to the public (so-called Third Pillar), prepared in accordance with Regulation (EU) no. 575/2013 of 26 June 2013 (CRR).

# PART H - Transactions with related parties

The Cassa Centrale Group, in compliance with the procedures provided for by sector regulations, has adopted the Group Regulation for the management of transactions with associated parties.

The aforementioned Regulation, which takes into account the provisions of Bank of Italy Circular no. 285 of 17 December 2013 and subsequent updates, is intended to govern the identification, approval and execution of Transactions with Associated Parties carried out by the Group, as well as the organisational structure and internal control system that the Group uses in order to preserve the integrity of decision-making processes in Transactions with Associated Parties, ensuring constant compliance with the prudential limits and decision-making procedures established by the aforementioned Bank of Italy Circular.

For more strictly accounting purposes, the provisions of IAS 24 – Related party disclosures also apply; under the Cassa Centrale Group's internal regulations, the following are identified as related parties:

## **Natural persons:**

- executives and officers with strategic responsibilities (including Directors, Standing Auditors and General Management members) of the entity preparing the financial statements:
  - executives with strategic responsibilities are those who retain powers and responsibilities, directly or indirectly, pertaining to the planning, management and control of the Company's activities;
- the immediate family members of "executives and officers with strategic responsibilities":
  - close family members of a person are those family members who are expected to influence, or be influenced by, that person in their dealings with the entity, including:
    - children (even if not living together) and the spouse (even if legally separated) or common-law spouse of that person;
    - the children of the spouse or common-law spouse of that person;
    - the dependants of that person or the dependants of that person's spouse or common-law spouse for tax purposes;
    - the brothers, sisters, parents, grandparents and grandchildren – children of the children – even if not cohabitant, of that person.

## **Legal Entity/legal person:**

- entity controlled (direct, indirect or joint control) by one of the persons referred to in the previous point (natural persons);
- entity that has significant influence over the entity preparing the financial statements as well as their subsidiaries and related joint ventures;
- CR/BCC/Raika belonging to the Cassa Centrale Group;
- the companies belonging to the Cassa Centrale Group (direct, indirect or joint control) as well as their subsidiaries;
- associates and joint ventures that prepare the financial statements and their subsidiaries;
- post-employment benefit plans for employees of the Group.

## 1. Information on compensation of executives with strategic responsibilities

Executives with strategic responsibilities are those which retain powers and responsibilities, directly or indirectly, pertaining to the planning, management and control of the Company's activities.

The table below shows, in compliance with the requirements of IAS 24, para. 17, the amount of compensation paid during the year to the members of the Management and Control Bodies as well as the compensation relating to other Executives with strategic responsibilities that fall within the notion of related party.

	MANAGEMENT BODIES		CONTROL BODIES		OTHER MANAGERS		TOTAL AT 30/06/2025	
	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid	Amount due	Amount paid
Salaries and other short-term benefits	13	9	5	3	21	21	39	33
Benefits relative to the post-employment period (social security, insurance, etc.)	1	1	-	-	4	3	5	4
Other long-term benefits	-	-	-	-	-	-	-	-
Compensation for termination of employment	-	-	-	-	1	1	1	1
Payments in shares	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14</b>	<b>10</b>	<b>5</b>	<b>3</b>	<b>26</b>	<b>25</b>	<b>45</b>	<b>38</b>

## 2. Information on transactions with related parties

The table below provides information on the balance sheet and income statement transactions with related parties during the period. It should be noted that transactions with related parties consolidated on a line-by-line basis are not included in this disclosure, as they are eliminated at consolidated level.

	Assets	Liabilities	Guarantees given	Guarantees received	Revenues	Costs
Associates	44	14	11	-	-	-
Directors and Executives	24	67	4	70	-	4
Other related parties	167	532	44	417	7	2
<b>Total</b>	<b>235</b>	<b>613</b>	<b>59</b>	<b>487</b>	<b>7</b>	<b>6</b>

It should be noted that "Other related parties" include the close relatives of Directors, Statutory Auditors and other Executives with strategic responsibilities, as well as subsidiaries, jointly-controlled companies and associates of the same parties or their close relatives.

Relations and transactions with related parties are attributable to ordinary credit and service activities and have normally developed during the year according to contingent needs or benefits, in the common interest of the parties. The conditions applied to individual relationships and transactions with such counterparties do not differ from current market conditions, or are aligned, if the conditions are met, with the conditions applied to employees.

Transactions with related parties do not have a significant incidence on the financial situation, economic result and cash flows of the Group.

# PART L - Segment reporting

## INTRODUCTION

This section is prepared based on provisions of the international accounting standard IFRS 8 “Operating Segments”. The identification of the “operating segments” in this section is consistent with the methods adopted by the Company Management for making operational decisions and is based on the internal reporting used for resource allocation purposes to the different segments and analysing the related performance (IFRS 8 paragraph 5 Operating Segments).

## Cassa Centrale Group’s operations by sectors of activity

Similarly to the organisational structure of the Group presented in the paragraph of the Report on Consolidated Operations “Main strategic business areas of the Cassa Centrale Group”, the entities belonging to the Cassa Centrale Group operate within the following operating segments:

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

It is also shown that within the “Intra-sectoral Relations” sector, the eliminations between entities belonging to different operating sectors are incorporated.

The Affiliated Banks, which represent the most important part of the Cooperative Banking Group’s consolidated assets and which operate with the aim of fostering the development of communities and the local economy, play a key role and are an important reference point for households and small and medium-sized enterprises. Their operations are in fact characterised by high customer funding deriving from historical ties with the territory to which they belong, a prevalence of loans to counterparties represented by households and small companies and a low loan-to-deposit ratio which, from a liquidity perspective, reflects the structural soundness of the Group and the investment of excess liquidity mainly in government bonds.

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

- ICT and back office services, with the subsidiary Allitude S.p.A.;
- leasing services, with the subsidiary Claris Leasing S.p.A.;
- insurance services, with the subsidiaries Assicura Agenzia S.r.l. and Assicura Broker S.r.l.;
- collective asset management services, with the subsidiary Nord Est Asset Management S.A.;
- consumer credit services, with the subsidiary Prestipay S.p.A.;
- other ancillary services, with the subsidiaries Centrale Soluzioni Immobiliari S.r.l. in liquidation, Claris Rent S.p.A. and Centrale Trading S.r.l. in liquidation.

## A. PRIMARY SCHEME

### A.1 Breakdown by sectors of activity: income statement data

(figures in millions of euro)	30/06/2025			
	Total	Affiliated Banks	Industrial Group	Intra-sectoral relations
Interest income	1,557	1,443	227	(113)
Interest expenses	(398)	(371)	(140)	113
<b>Net interest income</b>	<b>1,159</b>	<b>1,072</b>	<b>87</b>	<b>-</b>
Net fees and commissions	423	350	73	-
Dividends	4	28	1	(25)
Net result on financial assets and liabilities in portfolio (*)	(4)	6	(10)	-
<b>Net interest and other banking income</b>	<b>1,582</b>	<b>1,456</b>	<b>151</b>	<b>(25)</b>
Net value adjustments/write-backs	39	40	(1)	-
<b>Income from financial activities</b>	<b>1,621</b>	<b>1,496</b>	<b>150</b>	<b>(25)</b>
Operating expenses (**)	(1,042)	(903)	(258)	119
Net allocations to provisions for risks and expenses	9	7	2	-
Other income (expenses)	110	85	144	(119)
Value adjustments to goodwill and other intangible assets	-	-	-	-
Profit (loss) from disposal of investments and equity investments	-	-	-	-
<b>Gross current result</b>	<b>698</b>	<b>685</b>	<b>38</b>	<b>(25)</b>
Income tax	(108)	(94)	(14)	-
Profit (loss) from discontinued operations	-	-	-	-
Profit (loss) for the period for minority interests	-	-	-	-
<b>Net income of the Parent Company</b>	<b>590</b>	<b>591</b>	<b>24</b>	<b>(25)</b>

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

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

The “Affiliated Banks” and the “Industrial Group” operating segments incorporate all consolidation entries (IC eliminations, equity eliminations, other consolidation adjustments) between Companies belonging to the same operating sector.

As for the “intra-sectoral relations” column, summary information is provided below on the main cases attributable to the income statement aggregates reported in table A.1:

- **net interest income:** contains the eliminations relating to income statement reports essentially attributable to the treasury activities in place between Affiliated Banks and the Parent Company;
- **dividends:** this is the elimination of the dividend disbursed by the Parent Company and received the Affiliated Banks;
- **other administrative expenses and other operating income:** the eliminations are mainly attributable to the administrative expenses incurred by the Affiliated Banks for the activities for ICT Services and outsourcing provided by Allitude and, to a lesser extent, by the Parent Company.

## A.2 Breakdown by sectors of activity: balance sheet data

(figures in millions of euro)	30/06/2025			
	Total	Affiliated Banks	Industrial Group	Intra-sectoral relations
<b>Lending and funding to Customers</b>				
Loans to customers	(49,684)	(46,567)	(3,156)	39
Customer funding	68,435	64,451	3,993	(9)
<b>Lending and funding to Banks</b>				
Loans to banks	(826)	(6,103)	(3,375)	8,652
Bank funding	935	2,637	6,980	(8,682)
<b>Other financial assets</b>	<b>(35,209)</b>	<b>(30,233)</b>	<b>(6,731)</b>	<b>1,755</b>
<b>Securities portfolio</b>	<b>(35,125)</b>	<b>(30,155)</b>	<b>(6,653)</b>	<b>1,683</b>
FVTPL securities portfolio	(153)	(148)	(25)	20
FVOCI securities portfolio	(11,170)	(10,808)	(1,290)	928
Securities at amortised cost	(23,802)	(19,199)	(5,338)	735
<b>Derivatives portfolio</b>	<b>(84)</b>	<b>(78)</b>	<b>(78)</b>	<b>72</b>
FVTPL trading derivatives	(5)	(1)	(76)	72
Hedging derivatives	(79)	(77)	(2)	-
<b>Other financial liabilities</b>	<b>7,067</b>	<b>6,884</b>	<b>1,010</b>	<b>(827)</b>
Financial liabilities held for trading	11	1	82	(72)
Financial liabilities at amortised cost	7,045	6,879	921	(755)
Hedging derivatives	11	4	7	-

The “Affiliated Banks” and the “Industrial Group” operating segments incorporate all consolidation entries (IC eliminations, equity eliminations, other consolidation adjustments) between Companies belonging to the same operating sector.

The intra-sectoral relations consist of:

- **lending and funding:** mainly attributable to the treasury reports in place between the Parent Company and the Affiliated Banks;
- **securities at FVOCI:** this item consists of the reclassification of the shares issued by the Parent Company and subscribed by the Affiliated Banks for EUR 928 million;
- **other financial assets and liabilities:** this mainly concerns the accounting reclassification of hedging derivatives stipulated between the Affiliated Banks and the Parent Company, traded and outsourced by the latter with leading third-party banking counterparties and amounting to approximately EUR 72 million.

The residual amounts are mainly attributable to the balance sheet created as a result of the Parent Company’s issue of financial liabilities within the Euro Medium Term Notes Programme (EMTN), which are part of the process of meeting MREL requirements. The funding deriving from these issues, in turn, is channelled by the Parent Company to the Affiliated Banks.



## B. SECONDARY SCHEME

With regard to information by geographic area, relating to the breakdown of economic and financial data towards foreign countries (IFRS 8 paragraph 33 Information on geographical areas), please note that the Group's activity is carried out almost exclusively in Italy.

In this regard, it should be noted that only NEAM, a Luxembourg-based asset management company wholly owned by Cassa Centrale Banca which manages the NEF Mutual Investment Fund, has net interest and other banking income, gross of the inter-company component, about EUR 11.3 million, received against collective asset management services.

## Our values expressed by the accessibility of our reporting

We are a part of the Community; we are dedicated to creating shared value with People and the Territory. Our decision to draw up reporting documents in compliance with the highest standards of accessibility – one of the first Banking Groups in Italy to do so – expresses our way of being and the values we pursue every day.

The Consolidated Half-Yearly Financial Report as at 30 June 2025 is easy to access from electronic devices and designed to offer a satisfying experience for readers of all abilities. Through these documents we communicate the actions carried out and results obtained during the year in an accessible way, making our continuous dialogue with stakeholders even more direct.

The table layout is imposed by stringent regulations established by the Bank of Italy and therefore may not be consistent with guidelines for full accessibility.

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