



2025

Public Disclosure

Pillar III at 31 December 2025

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1. Introduction

1.1. Regulatory context

- REGULATION (EU) No. 575/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on prudential requirements for credit institutions and investment firms (as amended);
- COMMISSION EXECUTIVE REGULATION (EU) 2021/637 of 15 March 2021 laying down implementing technical rules regarding the publication by institutions of the information referred to in Part Eight, Titles II and III of Regulation (EU) No. 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No. 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295 (as amended);
- COMMISSION EXECUTIVE REGULATION (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No. 575/2013 of the European Parliament and of the Council as regards the publication by institutions of the information set out in Part Eight, Titles II and III of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637;
- REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088;
- Supervisory Provisions for Banks, CIRCULAR No. 285 of 17 December 2013 (as amended).

Figures are shown in **millions of Euro**, unless otherwise indicated.

The Banca Ifis Group publishes this public disclosure and any subsequent updates on its website at www.bancaifis.it, in the Investor Relations - Financial Performance and Presentations section.

Banca IFIS falls into the category of so-called Other Entities (i.e., the category of entities other than both Large Entities and Small and Non-Complex Entities) and, therefore, for the purposes of producing market disclosures, follows the provisions of Article 433 quater of the CRR.

In this context, it is required to produce:

- on an annual basis, a market disclosure taking into account the entire 'part eight' of the CRR;
- on a half-yearly basis, a market disclosure taking into account only Art. 447 (key metrics) of the CRR.

With the exception of the information referred to in Article 435(2)(c) and Articles 437 and 450, Banca Ifis, pursuant to Article 432(1) of the CRR, shall omit the information referred to in Titles II and III when such information is not considered material, i.e., when its omission or misstatement cannot change or influence the judgement or decisions of the users of such information who rely on it for making economic decisions.

To this end, it is important to point out that Banca IFIS does not adopt advanced methods for first-pillar risks. Therefore, Title III, Part 8 of Regulation 575/13 does not apply, except for Article 453 - Disclosure on the use of credit risk mitigation techniques, where actually applicable.

1.2. Document structure

The PILLAR III published by Banca IFIS has been drafted in accordance with the following structure, the chapters, paragraphs and sub-paragraphs of which have been provided for in relation to what is specifically indicated by the qualitative tables of implementing regulation no. 3172 of 2024¹. In addition, for each of the

¹ With reference to market risk, the provisions of Implementing Regulation 637 of 2021 continue to be taken into account for the year 2025

topics on which the Bank is required to provide specific disclosure, a section dedicated to quantitative disclosure has been provided in which all the analytical tables expressly required by the aforementioned implementing regulation are set out and, where appropriate for the purposes of an easier interpretation of the relevant information, a brief explanatory commentary on the same.

Table 1 - Document structure and implementing regulatory sources

Chapter	Title	Paragraph	Sub-paragraph	Regulatory source	Article	Article title
1	INTRODUCTION	1.1 Regulatory context 1.2 Structure of the document			N/A	N/A
2	THE BANCA IFIS GROUP	2.1 Reference metrics	2.1.1 Methodology for assessing the adequacy of internal capital 2.1.2 Results of the internal capital adequacy assessment process (if any) 2.1.3 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 1	Disclosure of key metrics and overview of risk-weighted exposure amounts
2	THE BANCA IFIS GROUP	2.2 Objectives and risk management policies	2.2.1 Declaration pursuant to Article 435(1)(e) and (f) of Regulation 575/2013 2.2.2 Governance structure for each type of risk 2.2.3 Risk management strategies and processes for each risk category 2.2.4 Disclosure of governance systems	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 2	Disclosure of risk management objectives and policies
2	THE BANCA IFIS GROUP	2.3 Scope of application	2.3.1 Qualitative disclosure 2.3.2 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 3	Disclosure of the scope of application
3	CAPITAL ADEQUACY	3.1 Own funds	3.1.1 Consolidated own funds and ratios at 31/12/2025 3.1.2 Disclosure regarding sovereign debt 3.1.3 Tax assets 3.1.4 Main features of regulatory own funds instruments and eligible liabilities instruments 3.1.5 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 4	Disclosure of own funds
3	CAPITAL ADEQUACY	3.2 Countercyclical capital buffer	3.2.1 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 5	Disclosure of countercyclical capital buffers
4	FINANCIAL LEVERAGE	4.1 Financial leverage ratio	4.1.1 Financial leverage risk management process 4.1.2 Factors impacting the change in the financial leverage ratio 4.1.3 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 6	Disclosure of the leverage ratio
5	LIQUIDITY RISK	5.1 Liquidity requirements	5.1.1 Liquidity risk management strategies and processes 5.1.2 Organisational structure of the liquidity risk management function 5.1.3 Intra-group liquidity management 5.1.4 Contingency funding plans 5.1.5 Liquidity risk stress testing 5.1.6 Liquidity Coverage ratio 5.1.7 Net Stable Funding Ratio 5.1.8 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 8	Disclosure of liquidity requirements
6	CREDIT RISK	6.1 Exposure to credit risk	6.1.1 Business model and credit risk assumption 6.1.2 Credit risk management strategies and processes 6.1.3 Organisation of the	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 9	Disclosure of exposures to credit risk, dilution risk and credit quality

Chapter	Title	Paragraph	Sub-paragraph	Regulatory source	Article	Article title
			credit risk management and control function 6.1.4 Coordination between internal control functions 6.1.5 Past due and impaired exposures 6.1.6 Credit impairments 6.1.7 Onerous credit restructuring (involving a reduced financial obligation) 6.1.8 Quantitative disclosure			
		6.2 Credit risk mitigation techniques	6.2.1 Compensation 6.2.2 Eligible collateral and how it is valued and managed 6.2.3 Credit derivatives used for hedging purposes 6.2.4 Concentration analysis on the different types of admitted guarantees 6.2.5 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 10	Disclosure of the use of credit risk mitigation techniques
		6.3 STD method for measuring credit risk	6.3.1 Qualitative disclosure 6.3.2 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 11	Disclosure of the use of the standardised approach
		6.4 Specialised financing and capital instruments	6.4.1 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 13	Disclosure of specialised lending and equity exposure
7	COUNTERPARTY RISK	7.1 Exposure to counterparty risk	7.1.1 Qualitative disclosure 7.1.2 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 14	Disclosure of exposures to counterparty credit risk
8	SECURITISATIONS	8.1 Positions towards securitisation	8.1.1 Qualitative disclosure 8.1.2 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 15	Disclosure of exposures to securitisation positions
9	MARKET RISK	9.1 Exposure to market risk	9.1.1 Entity market risk management strategies and processes 9.1.2 Structure and organisation of the market risk management function 9.1.3 Risk reporting and measurement systems 9.1.4 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2021/637	Art. 15	Disclosure of the use of the standardised approach and of the internal models for market risk
10	CVA RISK	10.1 Exposure to CVA risk	10.1.1 Credit assessment adjustment risk management process 10.1.2 Insights under Article 445 bis(1)(b) of the CRR 10.1.3 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 17	Disclosure for credit valuation adjustment risk
11	OPERATIONAL RISK	11.1 Exposure to operational risk	11.1.1 Objectives and management policies of operational risk 11.1.2 Operational risk management function organisational structure 11.1.3 Scope and nature of the measurement system 11.1.4 Scope and nature of the reporting system 11.1.5 Operational risk mitigation policies and strategies 11.1.6 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 18	Disclosure of operational risk
12	INTEREST RATE RISK ON THE BANKING BOOK AND CREDIT SPREAD RISK ON THE BANKING BOOK	12.1 Interest rate risk on the banking book	12.1.1 Exposure to interest rate risk on positions not included in the trading book	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 19	Disclosure on exposures to interest rate risk on positions not

Chapter	Title	Paragraph	Sub-paragraph	Regulatory source	Article	Article title
			12.1.1.1 Process for managing interest rate risk on the banking book 12.1.1.2 Interest rate risk mitigation strategy on the banking book 12.1.1.3 Analysis of results 12.1.1.4 Quantitative disclosure			held in the trading portfolio
		12.2 Credit spread risk on the banking book	12.2.1 Exposure to credit spread risk on positions not included in the trading book 12.2.1.1 Credit spread risk management process on the banking book 12.2.1.2 Analysis of results 12.2.1.3 Quantitative information	Bank of Italy Circular No. 285 of 2013 and subsequent updates Part One – Title III – Chapter 1 – Section III EBA/GL/2022/14	Paragraph 2.2 Section 4.5	Measurement of individual risks and the determination of internal capital for each of them Identification and assessment of the CSRBB
13	REMUNERATION	13.1 Group remuneration and incentive system	13.1.1 Remuneration supervisory bodies 13.1.2 Structure of the remuneration system for key personnel 13.1.3 Impact of risks on remuneration 13.1.4 Relations between fixed and variable components of remuneration 13.1.5 The variable component of remuneration 13.1.6 Short-term incentive (STI) system 13.1.7 Long-term incentive (LTI) Plan 13.1.8 Ex-post correction mechanisms 13.1.8 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 20	Disclosure of remuneration policy
14	ENCUMBERED AND UNENCUMBERED ASSETS	14.1 Encumbered and unencumbered assets	14.1.1 Quantitative disclosure	IMPLEMENTING REGULATION (EU) 2024/3172	Art. 21	Disclosure of encumbered and unencumbered assets
15	CRYPTO ASSETS	15.1 Quantitative information		IMPLEMENTING REGULATION (EU) 2024/3172	Art. 23	Information on crypto assets
16	DECLARATION BY THE MANAGER CHARGED WITH PREPARING THE COMPANY'S FINANCIAL REPORTS	N/A	N/A	TUF - CONSOLIDATED LAW ON FINANCE	Art. 154 bis paragraph 2	Manager charged with preparing the company's financial reports

Table 2 - Qualitative-quantitative tables of the implementing regulation applicable to the Banca Ifis Group and references to Regulation 575/13 (and subsequent updates)

Article	Article title	Qualitative tables	Quantitative tables	Accurate references to EU Regulation No. 575/13 and subsequent updates
Art. 1 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of key metrics and overview of risk-weighted exposure amounts	EU OVC: ICAAP Information (Annual)	EU KM1: Key metrics EU OV1: Overview of total risk exposure amounts EU INS1: Insurance participations	Art. 438 Disclosures of own funds requirements and risk-weighted exposure amounts ((a) to (dbis) and (f) and (g)) Art. 447 Disclosure of key metrics ((a) to (g))
Art. 2 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of risk management objectives and policies	EU OVA: Institution risk management approach EU OVB: Disclosure on governance systems		Institutions publish the information referred to in Article 435 of Regulation (EU) No. 575/2013 using tables EU OVA and EU OVB
Art. 3 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of the scope of application	EU LIA: Outline of the differences in the scopes of consolidation (entity by entity) EU LIB: Other qualitative information on the scope of application	EU LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories EU LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Art. 436 Disclosure of Scope ((b) to (h))

Article	Article title	Qualitative tables	Quantitative tables	Accurate references to EU Regulation No. 575/13 and subsequent updates
			EU LI3: Outline of the differences in the scopes of consolidation (entity by entity) EU PV1: Prudent Valuation Adjustments (PVA)	
Art. 4 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of own funds	EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments	EU CC1: Composition of regulatory own funds EU CC2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements IFRS9-FL - Comparison of Own Funds, Capital Ratios and Leverage with and without the application of IFRS9 transitional arrangements (Quantitative table not included in Implementing Regulation 2024/3172)	Art. 437 Disclosure on Own Funds ((a) to (f))
Art. 5 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of countercyclical capital buffers		EU CCYB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer EU CCYB2: Amount of institution-specific countercyclical capital buffer	Art. 440 Disclosure of countercyclical capital buffers ((a) and (b))
Art. 6 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of the leverage ratio	EU LRA: Disclosure of LR qualitative information	EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures EULR2 - LRCom: Leverage ratio common disclosure EU LR3 - LRSpI: Split-up of on-balance sheet exposures (excluding derivatives, SFT and exempted exposures)	Art. 451 Leverage ratio disclosure (p.1(a) to (e), (p. 2) and (p. 3))
Art. 8 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of liquidity requirements	EU LIQA: Liquidity risk management EU LIQB: qualitative information on LCR, which complements template EU LIQ1	EU LIQ1: Quantitative information of LCR EU LIQ2: Net Stable Funding Ratio	Art. 435(1) Art. 451 bis Disclosure of liquidity requirements [paragraphs 2, 3, 4].
Art. 9 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of exposures to credit risk, dilution risk and credit quality	EU CRA: General qualitative information about credit risk EU CRB: Additional disclosure related to the credit quality of assets	EU CR1: Performing and non-performing exposures and related provisions EU CR1-A: Exposure duration EU CR2: Changes in the stock of impaired loans and advances EU CQ1: Credit quality of forborne exposures EU CQ3: Credit quality of performing and non-performing exposures by past due days EU CQ4: Quality of non-performing exposures by geography EU CQ5: Credit quality of loans and advances to non-financial corporations by industry EU CQ7: Collateral obtained by taking possession and execution processes	Art. 435(1) [a, b, d, f]. Art. 442 Disclosure of exposures to credit risk, dilution risk and credit quality
Art. 10 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of the use of credit risk mitigation techniques	EU CRC: Qualitative disclosure requirements related to CRM techniques	EU CR3: CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	Art. 453 [a) to f)] Disclosure of the use of credit risk mitigation techniques
Art. 11 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of the use of the standardised approach	EU CRD: Qualitative disclosure requirements related to standardised approach	EU CR4 – standardised approach: credit risk exposure and CRM effects EU CR5: standardised approach	Art. 444 Disclosure of the use of the Standardised Approach ((a) to (e)) Art. 453 ((g), (h), (i))
Art. 13 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of specialised lending and equity exposure under the simple risk weight approach		EU CR10: Specialised lending and equity exposures under the simple risk-weighted approach EU CR10.1; EU CR10.2; EU CR10.3; EU CR10.4; EU CR10.5	Art. 438 (e)
Art. 14 - IMPLEMENTING REGULATION (EU) 2024/3172	Disclosure of exposures to counterparty credit risk	EU CCRA: Qualitative disclosure related to CCR	EU CCR1: Analysis of CCR exposure by approach EU CCR3: Standardised approach – CCR exposures by regulatory exposure class and risk weights EU CCR5: Composition of collateral for CCR exposures	Art. 438 (h) Art. 439 Disclosure of exposures to counterparty credit risk

Article	Article title	Qualitative tables	Quantitative tables	Accurate references to EU Regulation No. 575/13 and subsequent updates
			EU CCR6: Exposures in credit derivatives EU CCR8: Exposures to CCP	
Art. 15 - IMPLEMENTING REGULATION (EU) 2024/3127	Disclosure of exposures to securitisation positions	EU SECA: Qualitative disclosure requirements related to securitisation exposures.	EU SEC1: non-trading book securitisation exposures EU SEC2: trading book securitisation exposures EU SEC3 - non-trading book securitisation exposures and related regulatory capital requirements: institution acts as transferor or promoter EU SEC4 - Non-trading book securitisation exposures and related regulatory capital requirements: institution acts as investor EU SEC5 - Exposures securitised by the institution: defaulted exposures and specific credit adjustments	Art. 449 Disclosure of exposures to securitisation positions
Art. 15 - IMPLEMENTING REGULATION (EU) 2021/637 Prolongation of the provision in question for a further year is considered	Disclosure of the use of the standardised approach and of the internal models for market risk	EU MRA: Qualitative disclosure requirements related to market risk	EU MR1: Market risk under the standardised approach	As per the version of Regulation 575/13 prior to its update with the enactment of Regulation 2024/1623 Art. 445, Disclosure of market risk exposure [paragraph 1, 2]. Art. 435 (paragraph 1(a) to (d)) Art. 438
Art. 17 - IMPLEMENTING REGULATION (EU) 2024/3127	Disclosure for credit valuation adjustment risk	EU CVAA: Qualitative disclosure requirements on credit valuation adjustment risk	EU CVA1: Credit assessment adjustment risk under the reduced basic approach	Art. 438 (d) and (h) Art. 439 (h) Art. 445 bis
Art. 18 - IMPLEMENTING REGULATION (EU) 2024/3127	Disclosure of operational risk	EU ORA: Qualitative information on operational risk	EU OR1: Losses from operational risk EU OR2: Indicator of activities, components and sub-components EU OR3: Operational risk own funds requirements and risk exposure amounts	Art. 446 Disclosure on operational risk management Art. 435 Art. 438(d)
Art. 19 - IMPLEMENTING REGULATION (EU) 2024/3127	Disclosure on exposures to interest rate risk on positions not held in the trading portfolio	EU IRRBBA: Qualitative information on interest rate risk of non-trading book activities	EU IRRBB1: Interest rate risks of non-trading book activities	Art. 448 Disclosure on exposures to interest rate risk on positions not held in the trading book [paragraph 1, a) to g)]
Art. 20 - IMPLEMENTING REGULATION (EU) 2024/3127	Disclosure of remuneration policy	EU REMA: Remuneration policy	EU REM1: Remuneration awarded for the financial year EU REM2: Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) EU REM3: Deferred remuneration EU REM4: Remuneration of 1 million Euro or more per year EU REM5: Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Art. 450 Disclosure of remuneration policy
Art. 20 - IMPLEMENTING REGULATION (EU) 2024/3127	Disclosure of encumbered and unencumbered assets	EU AE4: Accompanying narrative information	EU AE1: Encumbered and unencumbered assets EU AE2: Collateral received and own debt securities issued EU AE3: Sources of encumbrance EU CAE1: Exposure to crypto assets	Art. 443 Disclosure of encumbered and unencumbered assets
Art. 22 - IMPLEMENTING REGULATION (EU) 2024/3127	Information on crypto assets			Art. 501 quinques

Below are the qualitative - quantitative tables that the bank does not prepare as they are not applicable to its operations.

Table 3 - Qualitative - quantitative tables excluded

Table name - model	Table title - model	Type	Reason for exclusion
EU INS 2	Information on own funds and capital adequacy ratio of financial conglomerates	QUANTITATIVE	Applies to financial conglomerates (presence of an insurance company in the group)
EU CMS 1	Comparison of modelled and standardised risk-weighted exposure amounts	QUANTITATIVE	Banca Ifis does not adopt internal models

Table name - model	Table title - model	Type	Reason for exclusion
EU CMS 2	Comparison of modelled and standardised risk-weighted exposure amounts for credit risk at asset class level	QUANTITATIVE	Banca Ifis does not adopt internal models
EU CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	QUANTITATIVE	Only large entities with a gross NPL ratio greater than or equal to 5% must also produce the following table
EU CQ2	Quality of the measure	QUANTITATIVE	Only large entities with a gross NPL ratio greater than or equal to 5% must also produce the following table
EU CQ6	Valuation of collateral - loans and advances	QUANTITATIVE	Only large entities with a gross NPL ratio greater than or equal to 5% must also produce the following table
EU CQ8	Collateral obtained by taking possession and execution process - breakdown by seniority	QUANTITATIVE	Only large entities with a gross NPL ratio greater than or equal to 5% must also produce the following table
EU CQ4 (columns b, d)	Quality of non-performing exposures by geography	QUANTITATIVE	Only large entities with a gross NPL ratio greater than or equal to 5% must also produce the following table
EU CQ5 (columns b, d)	Credit quality of loans and advances to non-financial corporations by industry	QUANTITATIVE	Only large entities with a gross NPL ratio greater than or equal to 5% must also produce the following table
EU CRE	Qualitative disclosure requirements on the IRB approach	QUALITATIVE	Banca Ifis does not use IRB models to measure credit risk
EU CR6	IRB Approach: Credit risk exposures by exposure class and PD range	QUANTITATIVE	Banca Ifis does not use IRB models to measure credit risk
EU CR6-A	Scope of use of IRB and SA models	QUANTITATIVE	Banca Ifis does not use IRB models to measure credit risk
EU CR7	IRB Approach: Effect on risk-weighted exposure amounts of credit derivatives used in CRM techniques	QUANTITATIVE	Banca Ifis does not use IRB models to measure credit risk
EU CR7-A	IRB Approach: Disclosure on the measure of use of CRM techniques (2 of 3)	QUANTITATIVE	Banca Ifis does not use IRB models to measure credit risk
EU CR8	Table of RWEA of exposures subject to credit risk under the IRB approach	QUANTITATIVE	Banca Ifis does not use IRB models to measure credit risk
EU CR9	IRB approach: PD backtesting by exposure class (fixed PD range)	QUANTITATIVE	Banca Ifis does not use IRB models to measure credit risk
EU CR9.1	IRB method: back-testing of PD by exposure class (only for PD estimates in accordance with Art. 180(1)(f) of the CRR)	QUANTITATIVE	Banca Ifis does not use IRB models to measure credit risk
EU CCR4	IRB Approach: exposures subject to CCR by exposure class and PD range	QUANTITATIVE	Banca Ifis does not use IRB models to measure credit risk
EU CCR7	Tables of RWEA of exposures subject to CCR in the IMM	QUANTITATIVE	Banca Ifis does not use IRB models to measure counterparty risk
EU MRB	Qualitative disclosure requirements for entities using internal models for market risk	QUALITATIVE	Banca Ifis does not use IRB models to measure market risk
EU MR2-A	Market risk under the Internal Model Approach (IMA)	QUANTITATIVE	Banca Ifis does not use IRB models to measure market risk
EU ME2-B	Tables of RWEA of exposures subject to market risk based on the IMA approach	QUANTITATIVE	Banca Ifis does not use IRB models to measure market risk
EU MR3	IMA values for trading portfolios	QUANTITATIVE	Banca Ifis does not use IRB models to measure market risk
EU MR4	Comparison of VaR estimates and profit/losses	QUANTITATIVE	Banca Ifis does not use IRB models to measure market risk
EU CVA2	Credit assessment adjustment risk under the comprehensive basis approach	QUANTITATIVE	Banca Ifis does not adopt the comprehensive basis approach for measuring credit assessment adjustment risk
EU CVA3	Credit assessment adjustment risk under the standardised approach	QUANTITATIVE	Banca Ifis does not adopt the standardised approach for measuring credit assessment adjustment risk
EU CVA4	Tables of credit assessment adjustment risk RWA under the standardised approach	QUANTITATIVE	Banca Ifis does not adopt the standardised approach for measuring credit assessment adjustment risk
EU CVAB	Qualitative disclosure requirements on CVA risk for entities using the standardised approach	QUALITATIVE	Banca Ifis does not adopt the standardised approach for measuring credit assessment adjustment risk

Please note that, following the publication of EBA/CP/07/2025, Banca Ifis deemed it appropriate:

- not to provide in PILLAR III at 31/12/2025 the disclosure pursuant to Art. 22 of Implementing Regulation 2024/3172. In fact, the aforementioned CP provides that banks falling into the category of so-called "other entities", even if listed, can postpone the publication of information on environmental, social and governance risks by one year, pending an effective implementation of the principle of proportionality. In particular, it provides, for banks falling under the category "Other Listed Institutions"², a significant reduction (three templates instead of 10) and simplification (replacement

² Category in which Banca Ifis falls.

of template 5 with template 5A) of the quantitative templates proposed by Implementing Regulation 2024/3172;

- not to provide the shadow banking disclosures under Article 449 ter of the CRR, as set out in the template proposed by the CP itself. In particular, it is noted that there is no article in Implementing Regulation 2024/3172 explaining the type of disclosure institutions are required to provide on shadow banking under PILLAR III. For the time being, therefore, the information that the bank already produces in the area of reporting pursuant to Article 394(2)(1) and (2) of the CRR is deemed sufficient;
- not to apply in PILLAR III at 31/12/2025 the simplifications and updates proposed, again by the aforementioned CP, with reference to templates EU CR10.5 and EU CQ5.

2. The Banca Ifis Group

2.1. Reference metrics

2.1.1. Methodology for assessing the adequacy of internal capital

Making use of the proportionality criterion, by virtue of which banks may, when applying ICAAP, assess internal capital using simplified measurement methodologies, the Parent Company Banca Ifis determined internal capital against the following quantifiable risks:

Table 4 - Quantifiable risks

Quantifiable risks	
Pillar I	Credit and counterparty risk Market risks Credit valuation adjustment risk Operational risk
Pillar II	Concentration risk Interest rate risk on the banking book Credit spread risk on the banking book Strategic Risk Sovereign risk

The quantification of internal capital also takes into account the results of stress tests conducted, in order to allocate capital resources capable of absorbing impacts from exceptional yet plausible events.

Total internal capital is determined in the following steps:

- aggregation of internal capital against Pillar I risks calculated on the basis of the standard methodologies established by the regulations and used for the calculation of capital requirements;
- determination of internal capital against Pillar II risks;
- calculation of total internal capital using the 'building block' approach, which consists of summing up the internal capital for all measured risks, both Pillar I and Pillar II. This approach assumes a perfect positive correlation between risks and therefore neglects any benefits from diversification.

2.1.2. Results of the internal capital adequacy assessment process

The table below summarises the values of individual internal capital as well as total internal capital, estimated on a consolidated basis as at 31/12/2025.

Table 5 - Summary of internal capital at 31/12/2025

Summary of internal capital	31/12/25	Incidence 2025
Credit, counterparty and securitisation risk ³	995.08	80.87%
Operational risk	95.52	7.76%
Market risk	5.60	0.46%
Credit valuation adjustment risk	16.88	1.37%
CAPITAL REQUIREMENTS (PILLAR I RISKS)	1,113.08	90.46%
Concentration risk	20.86	1.70%
Interest rate risk on the banking book	35.38	2.88%
Credit spread risk on the banking book	45.71	3.71%
Sovereign risk	15.47	1.26%
Strategic risk	0.00	0.00%
TOTAL INTERNAL CAPITAL (PILLAR I AND II RISKS)	1,230.50	100.00%
Total Own Funds	2,131.78	-
AVAILABLE CAPITAL (Own Funds - Total Internal Capital)	901.28	-

As can be seen, the capital requirement for credit risk is predominant over the others.

³ The 'Contribution Default Fund Cassa Compensazione e Garanzia' of 28,614 Euro was also included in the calculation.

From the above evidence, the consolidated own funds are largely sufficient to cover the total internal capital.

2.1.3. Quantitative information

Table 6 – Template EU KM1: Key metrics

		31.12.2025	30.06.2025	31.12.2024
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	1,802	1,622	1,584
2	Tier 1 capital	1,803	1,623	1,585
3	Total capital	2,132	1,785	1,781
Risk-weighted exposure amounts				
4	Total risk exposure amount	13,914	9,821	9,836
4a	Total risk exposure before application of the minimum threshold	13,914		
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	12.95%	16.52%	16.10%
5b	Primary Tier 1 capital ratio considering TREA without minimum threshold (%)	12.95%	-	-
6	Tier 1 ratio (%)	12.96%	16.53%	16.11%
6b	Tier 1 capital ratio considering TREA without minimum threshold (%)	12.96%	-	-
7	Total capital ratio (%)	15.32%	18.18%	18.11%
7b	Total capital ratio considering TREA without minimum threshold (%)	15.32%	-	-
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional CET1 SREP requirements (%)	1.8%	1.80%	1.80%
EU 7b	Of which capital CET1 (%)	1.00%	1.00%	1.00%
EU 7c	Of which tier 1 capital (%)	1.40%	1.40%	1.40%
EU 7d	Total SREP own funds requirements (%)	9.80%	9.80%	9.80%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-
9	Institution-specific countercyclical capital buffer (%)	0.03%	0.04%	0.04%
EU 9a	Systemic risk buffer (%)	0.79%	0.82%	0.40%
10	Global Systemically Important Institution buffer (%)	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-
11	Combined buffer requirement (%)	3.32%	3.36%	2.94%
EU 11a	Overall capital requirements (%)	13.12%	13.16%	12.74%
12	CET1 available after meeting the total SREP own funds requirements (%)	5.52%	8.38%	8.31%
Leverage ratio				
13	Leverage ratio total exposure measure	23,174	15,287	14,790
14	Leverage ratio (%)	7.74%	10.62%	10.71%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)				
EU 14a	Additional own funds requirements to address risks of excessive leverage (in %)	-	-	-
EU 14b	of which capital CET1 (%)	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure)				
EU 14d	Required leverage buffer (%)	-	0%	0%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%
Liquidity coverage ratio (*)				
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	1,601	1,002	1,573
EU 16a	Cash outflows - Total weighted value	925	487	447
EU 16b	Cash inflows - Total weighted value	1,098	929	873
16	Total net cash outflows (adjusted value)	242	122	112
17	Liquidity coverage ratio (%)	662.29%	823.32%	1,408.11%
Net Stable Funding Ratio				
18	Total available stable funding	15,687	10,844	11,011
19	Total required stable funding	13,279	8,670	8,193
20	NSFR ratio (%)	118.13%	125.07%	134.39%

(* Please note that in the EU KM1 table shown in the market disclosures at 31.12.2024 and 30.06.2025, rows 15, EU16a, EU16b, 16 and 17 have been filled in with the accurate values recorded on those dates. In the same table produced at 31.12.2025, the values in the above rows are determined as averages over the last 12 monthly observations.

Table 7 – Template EU OV1: Overview of total risk exposure amounts

		Total Risk Exposure Amounts (TREA)		Total own funds requirements
		31/12/2025	31/12/2024	31/12/2025
1	Credit risk (excluding CCR)	11,779	8,508	942
2	Of which the standardised approach	11,779	8,508	942
3	Of which the foundation IRB (FIRB) approach	-	-	-
4	Of which: slotting approach	-	-	-
EU 4a	Of which: equities under the simple riskweighted approach	-	-	-
5	Of which the advanced IRB (AIRB) approach	-	-	-
6	Counterparty credit risk - CCR	237	103	19
7	Of which the standardised approach	-	-	-
8	Of which Internal Model Method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	3	0	0
9	Of which other CCR	234	103	19
10	Credit valuation adjustment risk – CVA Risk	211	83	17
EU 10a	Of which standardised approach (SA)	-	-	-
EU 10b	Of which foundation approach (F-BA and R-BA)	211	-	17
EU 10c	Of which simplified approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	423	64	34
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	22	2	2
19	Of which SEC-SA approach	310	37	25
EU 19a	Of which 1250% / deduction	-	-	-
	Of which specific treatment for senior tranches of eligible securitisations of impaired exposures	91	25	7
20	Position, foreign exchange and commodities risks (Market risk)	70	40	6
21	Of which Alternative Standardised Approach (ASA)	-	-	-
EU 21a	Of which Simplified standardised approach (S-SA)	70	40	6
22	Of which Alternative Internal Model Approach (AIMA)	-	-	-
EU 22a	Large exposures	-	-	-
23	Reclassifications between trading and non-trading book positions	-	-	-
24	Operational risk	1,194	1,038	96
EU 24a	Exposure to crypto-assets	-	-	-
25	Amount below thresholds for deduction (subject to 250 % risk weight)	190	45	15
26	Output floor applied (%)	-	-	-
27	Adjustment for the application of the minimum threshold (before application of the transitional ceiling)	-	-	-
28	Adjustment for the application of the minimum threshold (following the application of the transitional ceiling)	-	-	-
29	Total	13,914	9,836	1,113

Table 8 – Template EU INS1: Insurance participations

		Exposure value	Risk-weighted exposure amount
1	Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	-	-

2.2. Objectives and risk management policies

2.2.1. Declaration pursuant to Article 435, paragraph 1, letters e) and f) of Regulation 575/2013

The Chief Executive Officer, Frederik Herman Geertman, acting on behalf of the Board of Directors, declares, pursuant to article 435, paragraph 1, letters e) and f) of Regulation No. 575/2013 (CRR) that:

- the risk management systems implemented by the Banca Ifis Group and described in the document 'Public Disclosure at 31 December 2025 - Pillar 3', are in line with the Group's profile and strategy;
- the above-mentioned document, approved by the Board of Directors of the Parent Company, represents the Group's overall risk profiles and is consistent with and linked to the corporate strategy.

Venice, 12 March 2026

The CEO

Frederik Herman Geertman

2.2.2. Governance structure for each type of risk

The overall risk management and control process involves, with different roles, the administrative and control bodies of the Group's companies and subsidiaries as well as the Parent Company's Management and the operational units of the entire Group.

In the model adopted by the Parent Company Banca Ifis Spa⁴:

- strategic supervision is performed by the Board of Directors;
- the CEO is responsible for the company's operations. The management function includes the Co-General Managers (Chief Operating Officer, Chief Commercial Officer);
- Control is performed by the Board of Statutory Auditors.

The Parent Company's **Board of Directors** plays a crucial role in the corporate organisation as it is the body responsible for determining the company guidelines and strategic objectives and for verifying their implementation, complying with industrial plans and implement strategic transactions, also by setting the principles of the direction and coordination activity of the Banca IFIS Group's companies, in the interest of the Shareholders. It carries out a supervisory function with regards to the achievement of the strategic objectives of the Bank and of the Group as a whole. In particular, concerning governance and risk controls, it is responsible for:

- defining and approving strategic guidelines, risk objectives, guidelines for the design of the internal control system and risk governance policies, providing for their periodic review also thanks to an accurate, complete and timely information flow system;
- approving the establishment of the Internal Audit Function, its tasks and responsibilities, the methods of coordination and collaboration, the information flows addressed to the other control functions and to the Corporate Bodies;
- at the proposal of the Chief Executive Officer and with the involvement of the Chair office, approving i) the establishment of the Organisational Units that hinge the corporate control functions (other than Internal Audit), their tasks and responsibilities, the methods of coordination and collaboration, the

⁴ Domestic supervised subsidiaries also adopt the same governance model by assigning:

- strategic supervision duties to the Board of Directors;
- management duties to the Chief Executive Officer;
- control duties to the Board of Statutory Auditors.

information flows between these units and between them and the Corporate Bodies; ii) the risk management process, assessing its compatibility with the strategic guidelines and policies iii) the policies and processes for evaluating business activities and, in particular, financial instruments; iv) the process for developing and validating internal risk measurement systems; v) the process for approving new products and services, launching new activities, entering new markets, vi) the process for managing employees vii) the policies on equity investments in non-financial companies; viii) the Group Policy on outsourcing of corporate functions; ix) the Code of Ethics with which corporate bodies and employees are required to comply in order to mitigate operational and reputational risks; x) the internal systems for reporting violations; xi) the structure of delegation of powers and decision-making powers in line with the strategic guidelines and risk orientations established, verifying their exercise; xii) with regard to credit and counterparty risk, the general outlines of the risk mitigation management system that governs the entire process of acquiring, evaluating, controlling and implementing the risk mitigation tools used;

- ensuring, also through the organisational units in charge of second- and third-level controls, consistency between what has been defined and approved and its implementation.

Within the Board of Directors are:

- the **Control and Risks Committee**, having investigative functions of a propositional and consultative nature in support of the resolutions of the Board of Directors relating, in particular, to the internal control and risk management system;
- the **Appointments Committee**, which has investigative functions of a propositional and consultative nature to support the appointment and co-option of directors, the self-assessment of Corporate Bodies (Board of Directors and Chief Executive Officer), the verification of the presence of knowledge skills and experience adequate to understand the money-laundering risks related to the activity and business model, in verifying the existence of the requirements of professionalism, honourability and independence as well as the criteria of competence and correctness of the corporate officers, in preparing the succession plans for the top executive positions and coordinating the process;
- the **Remuneration Committee**, with investigative functions of a propositional and consultative nature to support the Board of Directors in defining the Group's remuneration and incentive policies.
- The **Scenarios and Sustainability Committee**, with functions of support to the Board of Directors in the assessments and decisions relating to sustainability issues in all their forms related to the exercise of business activity and its dynamics of interaction with all stakeholders, corporate social responsibility, the examination of scenarios for the preparation of the strategic plan also on the basis of the analysis of issues relevant to the generation of value in the long term and, more generally, the sustainability governance.

Within the Board of Directors, the following are appointed:

- **Anti-Money Laundering Officer**⁵, who is the main point of contact between the Head of the Anti-Money Laundering Function, the Board of Directors and the Chief Executive Officer (except where Officer and Chief Executive Officer coincide) and ensures that the latter have the necessary information to fully understand the significance of the money laundering risks to which the Bank is exposed, for the purpose of exercising their respective powers.
- **Group Anti-Money Laundering Officer**, who is the main point of contact between the Head of the Group Anti-Money Laundering Function, the Board of Directors and the Chief Executive Officer of the Parent Company (unless, of course, the Officer and Chief Executive Officer coincide) and ensures that: i) the latter have the necessary information to fully understand the significance of the money laundering risks to which the Parent Company and the Banking Group Subsidiaries are exposed, for

⁵ Subsidiaries also appoint an Anti-Money Laundering Officer.

the purpose of exercising their respective powers; ii) the Head of the Group Anti-Money Laundering Function effectively performs own duties. The Group Anti-Money Laundering Officer also plays a coordinating role for the Anti-Money Laundering Officers of the Subsidiaries.

The management function is carried out by the **Chief Executive Officer**, who also avails himself of the **Co-General Managers**. The CEO is responsible for the implementation of the strategic orientations, the Risk Appetite Framework and risk governance policies defined by the Board of Directors, to which he directly reports in that regard, as well as the adoption of all the interventions necessary to ensure the adherence of the organisation and the internal control system to the applicable regulatory principles and requirements, by continuously monitoring their compliance with them. For this purpose, the CEO defines and oversees the implementation of the risk management process.

The following Management Committees have been set up:

- the **Finance Committee**, having consultative, propositional and resolution tasks, within the limits established and in the manner defined by the Board of Directors, in relation to the issues of asset & liability management and liquidity and management of the Bank's proprietary portfolio, respectively overseen by the ALM Technical Committee and the Proprietary Finance Technical Committee, established within it;
- the **Management Committee**, which supports the Chief Executive Officer in the implementation and performance of the business guidelines approved by the Board of Directors by constantly monitoring economic performance, the development of programmes, plans and initiatives relevant to the Group;
- the **Illiquid Committee**, with advisory and coordination functions relating to the analysis of initiatives and portfolio positions with reference to the Bank's investments in illiquid financial assets;
- the **Credit Committee**, with the task of assessing in collegial form, within the scope of the autonomy conferred by the system of proxies for the assumption of credit risk and by the system of proxies for the management of credit risk, credit transactions originating from the Co-General Manager Chief Commercial Officer and the Lending Department;
- the **Products Committee**, whose task is to manage the product catalogue through the preliminary screening of new business ideas for the development of new products or the significant modification of existing ones;
- the **Operational Quality Committee**, with the aim of outlining, and sharing, operational improvements that allow the Bank to continuously refine its attention to internal/external regulatory frameworks and IT security;
- the **Sustainability Committee**, with appraisal, propositional and advisory functions within the scope of the assessment and decision-making process of the Bank and the Group concerning ESG issues, wherever they are dealt with, working together with the competent Corporate Bodies and the competent structures of the Bank.
- the **Art Committee**, with investigative, propositional, advisory and deliberative functions in relation to patronage and investment projects in the artistic and cultural sphere and the enhancement of the Group's heritage.
- the **Commercial Committee**, with advisory and propositional functions, in order to facilitate the Group's commercial coordination.

The **Board of Statutory Auditors** oversees compliance with the law, regulations and articles of association, correct administration, the adequacy of the Bank's accounting and organisational structure, and the functionality of the overall internal control system. Considering the plurality of functions and corporate structures having control tasks and responsibilities, this body is required to check the effectiveness of all the structures and functions involved in the internal control system and their adequate coordination, promoting the corrective actions for any deficiencies and irregularities detected. Due to the importance of these tasks

for supervisory purposes, the Board of Statutory Auditors immediately informs the Bank of Italy of all the facts and actions of which it becomes aware that could constitute an irregularity in the management of the Bank or a violation of the rules governing banking activity.

Internal Control System

The Banca Ifis Group's Internal Control System plays a central role in the company's organisation. It represents a fundamental element of knowledge for the Corporate Bodies in order to i) guarantee full awareness of the situation and effective monitoring of corporate risks and their interrelations; ii) guide changes in strategic lines and corporate policies; iii) coherently adapt the organisational context; iv) monitor the functionality of management systems and compliance with prudential supervisory institutions; v) promote the dissemination of a correct culture of risks, legality and corporate values.

The Internal Control System consists of the set of regulations, functions, structures, resources, processes and procedures aimed at ensuring, in compliance with a sound and prudent management, the achievement of the following objectives:

- verification of the implementation of corporate strategies and policies;
- containing risk within the limits set out in the Bank's Risk Appetite Framework ("RAF");
- safeguarding the value of assets and protecting the Bank from losses;
- maintaining effective and efficient business processes;
- ensuring the reliability and security of corporate information and IT procedures;
- preventing the risk that the Bank might become involved, including involuntarily, in unlawful activities (and specifically those associated with money laundering, usury, and terrorist financing and with violation of restrictive measures);
- ensuring operations comply with the law and supervisory regulations as well as internal policies, rules and procedures.

A prerequisite for a complete and functional system of internal controls is the existence of a corporate organisation that is adequate to ensure the sound and prudent management of the Bank and compliance with the applicable provisions.

In this context, the Parent Company's Board of Directors defines the overall governance structure and approves the organisational structure of Banca Ifis and its Subsidiaries, guaranteeing the clear distinction of tasks and functions as well as the prevention of conflicts of interest and, in particular, the necessary separation between operational and control functions, verifies its proper implementation and promptly promotes corrective measures in the event of any gaps or inadequacies.

The Parent Company, Banca Ifis S.p.A. formalises and informs its Subsidiaries of the criteria governing the different stages that constitute the risk management process. It also validates the risk management processes within the Group. As regards credit risk in particular, the Parent Company sets the assessment criteria for the positions, and creates a common information base that allows the Subsidiaries to know the customers' exposure to the Group as well as the assessments related to the positions of the borrowers. The Parent Company decides on the adoption of the internal systems to be used for measuring risks, and determines its main characteristics, thus taking on the responsibility of carrying out the project as well as supervising the correct implementation of these systems and their constant adjustment from a methodological, organisational and procedural point of view.

The Subsidiaries must adopt an internal control system that is consistent with the strategy and the policies of the Group, in terms of controls, without prejudice to compliance with regulations applicable on an individual basis. In the case of foreign Subsidiaries, it is however necessary for the Parent Company, in compliance with local constraints, to adopt all initiatives aimed at guaranteeing standards of control and supervision

comparable to those envisaged by Italian supervisory provisions, even in cases where foreign regulations do not envisage similar levels of attention.

In order to verify that the Subsidiaries conduct is in compliance with Parent Company guidelines, as well as the effectiveness of the internal control system, the Parent Company takes action so that, within the regulations' scope of application, the consolidated internal audit function periodically performs on-site checks on the Group components, taking into account the importance of the different types of risk taken on by different entities.

The internal control system is designed in compliance with the applicable regulations and the peculiarities of the business carried out by both Banca Ifis S.p.A. and its Subsidiaries and provides, in general terms, for the establishment of corporate control functions. This rule may be derogated due to the operational characteristics, as well as the limited level of risk that individual companies bring to the Group.

At the date of this document, the control functions of Ifis NPL Investing S.p.A., Ifis NPL Servicing S.p.A., Banca Credifarma S.p.A., and Cap.Ital. Fin S.p.A. and Fürstenberg SIM S.p.A. are centralised at the Parent Company, while with regard to Ifis Finance IFN SA, the internal audit function and the risk control function have been established and centralised at the Parent Company. With regard to illimity Bank, control functions are established within the company itself; its subsidiaries Fürstenberg SGR S.p.A and Arec neprix S.p.A centralise all control functions in illimity Bank. With reference to Ifis Rental Services, Ifis Npl 2021-1 SPV S.r.l., Ifis Finance Sp. z o.o, Abilio S.p.A., Quimmo Agency S.r.l. and Quimmo Prestige Agency S.r.l., given their operational characteristics and the limited level of risk they bring to the Group, no control functions have been established. However, Ifis Finance Sp. z o.o., in compliance with local legislation and regulatory requirements, has appointed a member of its Board as head of its anti-money laundering operations.

Audits involve, with different roles, the Corporate Bodies of the Group's companies and subsidiaries, the Parent Company's Management and the Group's personnel.

Some types of audits are highlighted below:

- level one line audits aim to ensure operations are carried out correctly. They are carried out by the operational structures themselves, including through units dedicated exclusively to control tasks that report to the heads of the operational structures or performed as part of back office activities; as far as possible, they are incorporated into IT procedures. The operational structures are primarily responsible for the risk management process: as part of their day-to-day operations, they shall identify, measure or assess, monitor, mitigate, and report the risks arising from ordinary operations in accordance with the risk management process; they shall comply with the operational limits assigned to them in accordance with the risk objectives and the procedures that form part of the risk management process;
- second-level controls, carried out by Risk Management, Compliance and by the Anti-Money Laundering Function, aim to ensure the correct implementation of the risk management process, compliance with the operating limits assigned to the various functions, compliance of company operations with the rules, including self-regulation;
- third-level controls, carried out by Internal Audit, aim to identify violations of procedures and regulations as well as periodically assess the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the internal control system and the information system, with a pre-established frequency in relation to the nature and intensity of the risks.

The Corporate Bodies promote a corporate culture that enhances the control function: all levels of personnel within the organisation must be aware of the role assigned to them in the internal control system and be fully involved in it.

The roles of the various players in the internal control system (Board of Directors, Control and Risk Committee, the Anti-Money Laundering Officer, the Group Anti-Money Laundering Officer, Chief Executive Officer, Supervisory Body pursuant to Legislative Decree 231/2001, Internal Audit, the Manager charged with preparing

the company's financial reports, Risk Management, Compliance, and Anti-Money Laundering) are described in detail in the Report on Corporate Governance and Ownership Structures prepared in accordance with the third paragraph of article 123 bis of Italian Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Finance, or "TUF") and subsequent updates, the latest version of which was approved by the Board of Directors on 9 March 2023 and published on the Bank's website in the Corporate Governance section.

Briefly, in addition to that already stated in the previous paragraph in terms of the roles and tasks performed by the Corporate Bodies, the roles and tasks assigned to the remaining players of the internal control system are summarised below, in particular:

- **Supervisory Body pursuant to Italian Legislative Decree No. 231/2001:** for full compliance with and interpretation of the Organisation, Management and Control Model pursuant to Italian Legislative Decree No. 231/2001 of Banca Ifis, the Supervisory Body was set up by a resolution of the Board of Directors on 26 October 2004⁶. The members of the Body are chosen from qualified individuals and experts in the legal or accounting or tax fields, with adequate professionalism in the aforementioned subjects and possessing the requirements of independence and autonomy. The members of the Body are not subject, in this capacity and in the performance of their duties, to the hierarchical and disciplinary power of any corporate body or function. The Supervisory Body consists of one Auditor, chosen by the Board of Statutory Auditors, the Managers, from time to time in office, of the Internal Audit and Compliance functions and two independent Directors, chosen by the Board of Directors, one of whom acts as Chair;
- **The Manager charged with preparing the company's financial reports:** the Manager charged with preparing the company's financial reports and sustainability report, consistently with the provisions of article 154-bis of the Consolidated Law on Finance - TUF, ensures the reliability of the equity, economic and financial position of the Bank and the Group, contributing to the overall assessment of the adequacy of the internal control system for financial reporting. The Manager Responsible is supported by the Financial & Sustainability Reporting Monitoring & Control organisational unit, a unit set up to fulfil the obligations deriving from the approval of Law 262/05 "Provisions for the protection of savings and the regulation of financial markets";
- **Internal Audit function:** the Parent Company's Internal Audit monitors the regular performance of operations and the development of risks, taking a risk-based approach, and assesses the completeness, adequacy, functionality and reliability of the organisational structure and the other components of the internal control system and information system, bringing possible improvements to the attention of Corporate Bodies, with particular reference to the Group's Risk Appetite Framework ("RAF"), the risk management process and the tools for measuring and controlling these risks. On the basis of the results of its controls, Internal Audit formulates findings and/or recommendations to the other corporate functions, whether operational or control;
- **Risk Management function:** the Parent Company's Risk Management control function; is involved in the definition of the Risk Appetite Framework - "RAF", the risk governance policies and the various steps that constitute the risk management process, as well as in setting operational limits to the assumption of the various types of risk. In this context, it has, *inter alia*, the task of proposing the quantitative and qualitative parameters necessary for the definition of the Risk Appetite Framework - "RAF", which also refer to stress scenarios and, in the event of changes in the Bank's internal and external operating environment, the adjustment of such parameters. It also verifies the adequacy of the Risk Appetite Framework - "RAF" as well as, on an ongoing basis, the risk management process and operational limits;
- **Compliance function:** the Parent Company's Compliance control function oversees, according to a risk-based approach, the management of non-compliance risk in connection with the entire company activity. This is done by assessing the adequacy of internal procedures to prevent the violation of

⁶ The domestic subsidiaries, with the exception of Quimmo Agency S.r.l. and Quimmo Prestige Agency S.r.l., have also set up their own Supervisory Body.

external rules (laws and regulations) and self-regulation (e.g. codes of conduct and ethical codes) applicable to both the Bank and its Subsidiaries where the Function is centralised. It is specified that Compliance oversees the ICT Compliance and Information System regulatory area jointly with Risk Management;

- **Anti-Money Laundering function:** the Anti-Money Laundering control function of the Parent Company verifies on an ongoing basis that company procedures are consistent with the objective of preventing and countering the violation of external rules (laws and regulations) and self-regulation on money laundering and terrorist financing and restrictive measures.

2.2.3. Risk management strategies and processes for each risk category

The identification of risks and the periodic updating of the taxonomy is carried out by Risk Management and submitted to Internal Audit for sharing. This identification and assessment of risks is integrated with the definition phase of the Risk Appetite Framework and constitutes the framework within which all other risk measurement, assessment and monitoring activities are developed. In order to assess the potential significance of the various risks within the Group, the following drivers were considered:

- business model;
- strategic plan;
- number of business units generating the risk;
- capital absorption (where applicable);
- current level of risk exposure (where measurable/assessable);
- appropriate drivers defined ad hoc and described below;
- elements potentially harbouring operational/ reputational risks inherent in the core business.

The potential relevance of individual risks is summarised on a three-value scale (High, Medium, Low) based on a joint subjective assessment by the Parent Company's control functions (so-called judgmental approach).

The Parent Company, for the purposes of the group processes adopted for the assessment of capital adequacy (ICAAP) and of the liquidity management and governance system (ILAAP), considers as significant risks the types of risk to which it has assigned the relevance levels "High" and "Medium" at the conclusion of the above risk assessment process. The following table shows the overall risks identified at Group level and their relative significance:

Table 9 - Risks identified within the group and their level of significance

Risk	Description	Relevance
Credit risk	The risk of loss arising from the insolvency or deterioration of the creditworthiness of counterparties entrusted by the Group; it consists of: <ul style="list-style-type: none"> • the counterparty risk dimension. It regards the risk of insolvency or deteriorating creditworthiness of the counterparties the Group is exposed to; • of the operation risk dimension. It concerns both the losses that the Group incurs due to the non-recovery of receivables due from defaulting counterparties, and the increase in exposure values to parties that, following a worsening of their economic-financial situation, tend (in all those cases of technical forms of credit referred to as having "uncertain value") to make greater use of the credit facility granted to them, thereby reducing the remaining available margin. 	High
Counterparty risk	The risk that the counterparty to a transaction involving financial instruments for which the fair value does not include the counterparty credit risk, defaults before the final settlement of the transaction cash flows.	Low
Credit concentration risk	Risk arising from exposures to counterparties, including central counterparties, groups of connected counterparties, and counterparties operating in the same economic sector, in the same geographic region or that perform the same activity or deal with the same merchandise, as well as from the application of credit risk mitigation techniques, including, in particular, risks related to indirect exposures, such as, for example, to individual providers of guarantees.	Medium
Country risk	The risk of losses caused by events occurring in a country other than Italy. The concept of country risk is broader than that of sovereign risk as it refers to all exposures regardless of the nature of the counterparties, be they individuals, corporations, banks or governments	Low
Sovereign risk	The risk that government will default on their financial obligations due to economic, financial and political factors	Media

Risk	Description	Relevance
Transfer risk	Risk that the Group, as the borrower of an entity that receives its main sources of income in a currency other than the currency of the exposure, realises losses due to the borrower's difficulties in converting its currency into the currency in which the exposure is denominated	Low
Residual risk	The risk that the recognised techniques for credit risk mitigation used by the Group (Credit Risk Mitigation) are less effective than expected	Low
Settlement and Delivery Risk	The risk that a counterparty fails to fulfil its delivery or payment obligation in a financial instrument transaction	Low
Risk arising from securitisation transactions	The risk that the economic aspect of the securitisation transaction is not fully reflected in the risk assessment and management decisions.	Low
Equity risk	The risk of a loss in value of the investment (in financial and non-financial companies) held by the Group arising from the possibility of incurring capital losses, of achieving a lower yield than expected and/or of having to sustain fixed assets for periods exceeding initial expectations. This risk includes potential conflicts of interest and inadequate organisational or corporate separation between the investment activity and the remaining banking activity.	Low
Operational risk	Operational risk is the risk of losses arising from inadequate or dysfunctional procedures, human resources, internal systems or external events. This definition includes legal risk; strategic and reputational risks are not included.	High
Model risk	This represents the risk of incurring financial losses, erroneous strategic decisions as well as damage to the Group's reputation resulting from improper or incorrect use of the results and reports produced by the models used.	Medium
ICT and Security risk	ICT and Security risk consists of the risk of incurring losses due to breaches of confidentiality, inadequate integrity of systems and data, inadequacy or unavailability of systems and data, or the inability to replace information technology (IT) within reasonable time and cost limits in the event of changes in the requirements of the external environment or business (agility), as well as security risks arising from inadequate or incorrect internal processes or external events, including cyber attacks or an inadequate level of physical security.	High
Reputational risk	The current or future risk of a reduction in profits or capital deriving from the negative perception of the Group's image among customers, counterparties, shareholders, investors, or Supervisory Authorities.	Medium
Market risk	The risk of loss due to adverse movements in market prices (share prices, interest rates, foreign exchange rates, commodity prices, volatility of risk factors, and so on) in connection with the trading book for Supervisory purposes (position, settlement and concentration risks) and with the Group's entire budget (exchange rate and position risk on commodities).	Low
Credit valuation adjustment risk	This risks refers to an interim market valuation adjustment of the portfolio of transactions with a counterparty, referring to OTC derivatives. This adjustment reflects the current market value of the entity's counterparty risk but it does not reflect the current market value of the entity's credit risk in relation to the counterparty.	Low
Interest Rate Risk Banking (IRRBB)	Risk arising from potential changes in interest rates, with reference to assets other than trading. It represents the risk that unexpected changes in interest rates may lead to negative effects both in income terms, by reducing net interest income, and in equity terms, by reducing the Bank's economic value.	High
Credit Spread Risk Banking (CSRBB)	Risk determined by market price changes for credit risk, liquidity and other potential characteristics of credit risk instruments, which is not captured by another existing prudential framework such as IRRBB or expected credit/default risk. The CSRBB recognises the risk of a change in the spread of an instrument assuming the same level of creditworthiness, i.e. the change in the credit spread within a given rating/PD range.	Medium
Liquidity risk	It represents the company's difficulty or inability to meet its payment commitments on time due to the inability both to raise funds on the market (funding liquidity risk) and to mobilise its assets (market liquidity risk).	High
Risk related to the amount of encumbered assets	The risk associated with the portion of encumbered assets arises from the unavailability of assets that can be readily liquidated by sale, repurchase, assignment under guarantee or securitisation.	High
Climate and environmental risks	Risks that may arise from climate change or efforts to mitigate climate change, their impacts and economic consequences.	Media
Risk of excessive leverage	Risk that a particularly high level of indebtedness in relation to the Group's capital endowment will make it vulnerable, so that it needs to adopt corrective measures to its business plan, including the sale of assets with the recording of losses that could lead to adjustments to the value of the remaining assets.	Low
Strategic and business risk	The current or prospective risk of a decline in profits or capital resulting from changes in the operating environment or from erroneous business decisions, inadequate implementation of decisions, or lack of responsiveness to changes in the competitive environment.	Medium

With specific reference to Fürstenberg SIM⁷, also:

Risk	Description	Relevance
Customer risk (RtC)	It represents the risk that the Company's operations generate actual or potential economic loss or damage to customers, resulting from the management, execution, custody or processing of orders. This risk arises whenever the firm, in the course of providing investment services, directly affects the client's financial position through incorrect conduct, operational inefficiencies, deficiencies in safeguards or errors in the execution of instructions received.	Low
Company risk (RtF)	It represents the risk that the company's activities will generate direct losses, negative economic impacts or impair the company's financial strength. The risk arises mainly from trading operations, exposure to counterparties and concentration of positions, as well as operational risks related to transactional flows.	Low

As part of the RAF, the Body with Strategic Oversight Function (hereinafter OFSS) defines the strategic indicators required to monitor the Group's strategic and financial objectives. As part of the broader risk management process, Risk Management also identifies additional risk indicators to strengthen its oversight and submits them to the OFSS for approval.

⁷ For details on typical SIM risks, please refer to the annexed document "Taxonomy and Risk Mapping 2025-2026 Fürstenberg SIM".

The categories of indicators are subject to regular monitoring by the Risk Management Function and are notified to both Corporate Bodies and the other business structures, based on the relevant types. With reference to strategic indicators, they are divided into strategic indicators with regulatory restrictions, measured according to consolidated logics, and strategic indicators for which no regulatory restriction has been defined.

The reason that led to this distinction is to be found in the fact that for strategic indicators with no constraints expressly provided for by the regulator, the consequence of exceeding the attention and warning thresholds could have potential impacts on the sustainability of the Group's business model, without, however, suddenly jeopardising the capital or liquidity vulnerability.

The following concepts relevant to RAF have been defined for each indicator:

- Risk Profile (actual risk): represents the risk actually undertaken, measured at a given moment in time;
- Risk Appetite (risk objective): the level of risk, overall and by type, which the Group intends to assume to fulfil its strategic objectives;
- Risk Tolerance (tolerance threshold): the maximum allowed deviation from Risk Appetite; the tolerance threshold is fixed in such a manner as to provide the Group with sufficient margins to operate in every case, even under stress, within the maximum risk that can be assumed;
- Warning: a threshold defined only for strategic indicators, free of regulatory restrictions, it is the maximum level of risk that the Group intends to assume in order to reach its strategic objectives;
- Risk Capacity (maximum assumable risk): a threshold defined only for the strategic indicators involving regulatory restrictions, it represents the maximum risk level that the Group is technically capable of assuming without breaching the regulatory requirements or other restrictions set by the Supervisory Authority (also taking into account any additional specific capital requirements imposed as a result of the SREP Process).

In the event of violation of the aforementioned thresholds, an articulated escalation process is activated which, after analysis of the relative causes by the competent corporate functions, requires the timely definition of the procedures and management actions to be implemented to restore a condition of equilibrium.

The verification and the quarterly reporting of the company positioning with reference to the identified indicators is integrated in the periodic reporting system for top management (*Tableau de Bord*).

Monitoring the risk objectives aims at identifying any criticality of the moments of corporate planning and management of the risks and is preparatory to the implementation of corrective and realignment actions, in compliance with the general principles of sound and prudent management.

This activity is managed by the Risk Management function that has the task of ensuring protection and the integrated management of risks by ensuring the development and improvement of measurement methods and models.

The Risk Management function, assisted by specialist organisational units and other organisational control units, produces periodic reports to the Bodies and business units in order to allow verification of the consistency between the implementation of the RAF, the strategic objectives and the approved thresholds (see the section on reporting flows).

Relevant update documents, among others, are drawn up annually in relation to:

- determination of the Group's risk appetite (Risk Appetite Framework - RAF);
- assessment of capital adequacy (Internal Capital Adequacy Assessment Process - ICAAP) and liquidity (Internal Liquidity Adequacy Assessment Process - ILAAP);
- Contingency Funding and Recovery Plan (CFRP) to deal with adverse situations in raising funds and for the prompt settlement of any liquidity shortfalls.

In 2025 the Group also drew up the Group's Recovery Plan, a document containing preparatory measures aimed at preventing and resolving any crisis situations in a timely manner; it describes how the Group intends to restore balance sheet and financial equilibrium in conditions of severe technical deterioration (near to default).

In addition, on a quarterly basis, the Risk Management function prepares suitable reports for the Board of Directors (*Tableau de Bord*), which enables monitoring not only of strategic indicators but also of management risk indicators. Lastly, a detailed periodic report is also prepared to support the Group's business structures.

2.2.4. Disclosure on governance systems

The Articles of Association provide that the Company shall be administered by a Board of Directors consisting of a minimum of five to a maximum of fifteen members elected by the Shareholders' Meeting whose term of office shall not exceed three financial years, established at the time of appointment, and shall expire on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their office. The Directors are appointed, in compliance with current provisions as well as on the basis of the list voting mechanism provided for in the Articles of Association, by the Shareholders' Meeting.

To encourage the nomination of the best candidates for the renewal of the Administrative Body, in support of shareholders and in compliance with the Supervisory Provisions for Banks in matters of Corporate Governance, the Board of Directors, with the help of the Appointments Committee, identifies in advance, downstream of the self-assessment process, what it deems to be its optimal composition, in terms of numbers and quality, identifying and justifying the theoretical profile of candidates. The analyses conducted, reported in the document "Optimal quali-quantitative composition of the Board of Directors of Banca Ifis", are published on the Bank's website, in the section About us - Corporate Governance - Shareholders' meeting.

At the Shareholders' Meeting held on 17 April 2025, the shareholders appointed the Board of Directors in office for the three-year period 2025-2027 by electing 14 directors, respecting the qualitative-quantitative composition of the Body adequate in terms of gender diversification (the female component remained unchanged at 7 members, in line with the previous mandate) and the role assigned to the directors (the number of independent directors was 9 members until the resignation of two directors on September 25, decreasing to 8 members starting 03 December 2025); as well as adequate to the complexity and work of the Body and in line with current guidelines that favour a composition thereof that is not plethoric and with a degree of heterogeneity adequate to allow the directors to make an effective contribution to the Board's activities.

The newly-elected Board met at the end of the Shareholders' Meeting and verified and ascertained that the independence requirements pursuant to current legislation and the Corporate Governance Code for Listed Companies were met, proceeding with the appointment of the members of the Board Committees (Control and Risk Committee, Appointments Committee, Remuneration Committee and Scenarios and Sustainability Committee), the Supervisory Board, the Lead Independent Director and the Director in charge of the Internal Control and Risk Management System.

On 12 May 2022, the Board, with the support of the Appointments Committee, in compliance with the Supervisory Provisions on the procedure for assessing the suitability of directors of Banks, financial intermediaries, electronic money institutions, payment institutions and depositor guarantee schemes, within thirty days of their appointment, verified:

- the existence of the eligibility requirements provided for in Article 26 of Legislative Decree No. 385 of 1 September 1993 (TUB), as implemented by MEF Decree No. 169/2020;
- compliance with the limits on the accumulation of offices;
- the non-existence of situations relevant for the purposes of the so-called interlocking ban pursuant to Article 36 of Law Decree no. 201 of 6 December 2011, converted with amendments by Law no. 314 of 22 December 2011;

- the correspondence between the optimal quali-quantitative composition indicated in the document "Qualitative and quantitative composition deemed optimal of the Board of Directors 2024" and the actual composition resulting from the nomination process.

The Board verifies the permanence of the above-mentioned requirements on an annual basis, at the same time as the start of the self-assessment process provided for by the Bank of Italy Circular No. 285/2013 (Title IV, Chapter 1). This process is designed to ensure that the correct and effective functioning of the body and its adequate composition are verified, to identify the main points of weakness, to promote discussion thereof within the body and to define the corrective actions to be taken, as well as to strengthen the relationships of collaboration and trust between the individual members.

In consideration of the resignation of independent directors Monica Regazzi and Giovanni Meruzzi, on 25 September 2025, on 3 December 2025, in order to reintegrate the number of 14 members, Riccardo Preve was co-opted as Director and Moroello Diaz della Vittoria Pallavicini as Independent Director. When verifying the possession of the requirements of the co-opted directors, the Board of Directors confirmed that the new structure of the Body corresponded to the qualitative and quantitative composition deemed optimal and previously identified by the same.

In this regard, the new composition kept the gender diversification unchanged (the female component remained the same as in the previous set-up), while the number of independent directors increased from 9 to 8.

For a complete review of the information regarding the selection process for Board members, the number of appointments held by members of the management body and additional governance-related information is provided in the "2025 Report on Corporate Governance and Ownership Structure", published on the Banca Ifis website (<https://www.bancaifis.it/en/about-us/corporate-governance/reports-documents/corporate-governance-structures-organisation/>).

In accordance with the provisions of Circular No. 285 and the Corporate Governance Code, the Board of Directors set up its own Control and Risks Committee composed of five of the fourteen members of the Board of Directors chosen from among the non-executive directors, who are all independent.

During 2025, the Committee met 21 times, five of which were joint meetings with the Board of Statutory Auditors. From the beginning of 2026 until the date of approval of this document, the Committee met six times, two of which jointly with the Board of Statutory Auditors. The Control and Risk Committee has the task of supporting the Board of Directors' assessments and decisions relating to risks and internal control system, the approval of periodic financial and non-financial reports and supporting the Board in analysing issues relevant to the generation of long-term value with a view to sustainable success. With particular reference to the tasks related to risk management and control, the Committee carries out support functions for the body charged with strategic supervision:

- the definition and adoption of the strategic guidelines and risk management policies. As part of the RAF, the Control and Risk Committee performs the evaluation and proposal activity necessary for the Board of Directors to define and approve the risk objectives and tolerance threshold;
- the verification of the correct implementation of the strategies, risk management policies and RAF;
- the definition of policies and processes for the assessment of company activities, including verification that the price and conditions of transactions with customers are consistent with the business model and strategies concerning risks.

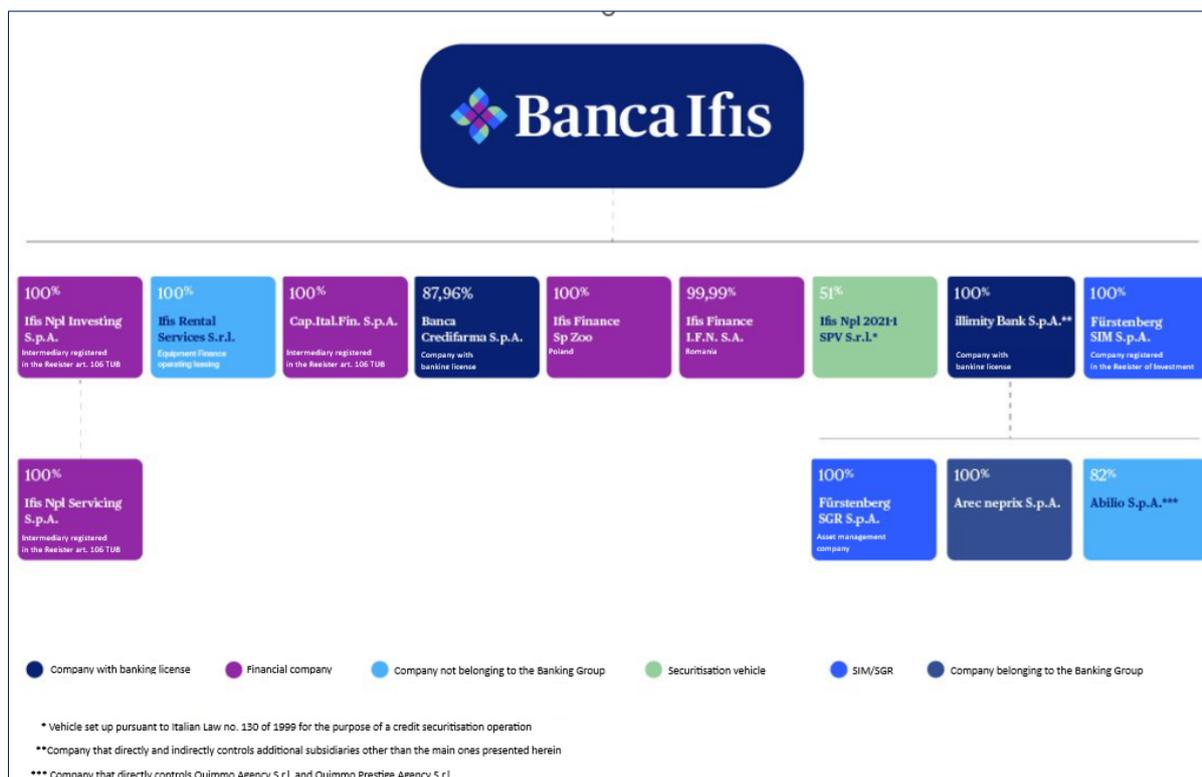
The information flow on risks for the Board of Directors is identified by means of a specific internal regulation and mainly consists in documents prepared by the control functions concerning the planning of activities and the related reporting (annual reports and quarterly Tableau de Bord, subsequently submitted to the Bank of Italy) as well as other verifications required by the legislation in force (reports on relevant risks undertaken by the Group, disclosure on checks concerning governance and management of liquidity risk, report on important operating functions outsourced, RAF, ICAAP and ILAAP reports, Recovery Plan, etc.).

2.3. Scope of Application

2.3.1. Qualitative disclosure

At 31 December 2025, the Group comprises the Parent company Banca Ifis S.p.A. and the subsidiaries Ifis NPL Servicing S.p.A., Ifis NPL Investing S.p.A., Cap.Ital.Fin. S.p.A., Banca Credifarma S.p.A., Ifis Finance Sp. z o. O., Ifis Finance I.F.N. S.A., Ifis Npl 2021-1 SPV, Ifis Rental Services S.r.l, illimity Bank S.p.A and its direct subsidiaries and Fürstenberg SIM S.p.A.⁸.

Below is the graphical representation of the Banca Ifis Group at 31/12/2025⁹.



2.3.2. Quantitative information

Table 10 – Template EU LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items					
			subject to the credit risk framework	subject to the CCR framework	subject to the securitisation framework	subject to the market risk framework	not subject to own funds requirements or subject to deduction from own funds	
Assets								
10	Cash and cash equivalents	787	781	781	-	-	-	-
20	Financial assets measured at fair value through profit or loss	808	808	742	27	39	27	-
30	Financial assets measured at fair value through other comprehensive income	1,659	1,659	1,491	-	168	-	-
40	Financial assets measured at amortised cost	16,836	16,683	15,667	33	902	-	80

⁸ As of 26 January 2026, Euclideia SIM - the Banca Ifis securities brokerage company offering portfolio analysis and management services - took the name Fürstenberg SIM.

⁹ It should be noted that the vehicle companies controlled by illimity Bank S.p.A. are not reported in this representation, although they are consolidated, as described in Section 3 - Scope and methods of consolidation of the consolidated financial statements at 31 December 2025.

	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items					
			subject to the credit risk framework	subject to the CCR framework	subject to the securitisation framework	subject to the market risk framework	not subject to own funds requirements or subject to deduction from own funds	
50	Hedging derivatives	61	61	-	61	-	-	-
60	Value adjustment of financial assets generically hedged	-	-	-	-	-	-	-
70	Equity investments	34	204	204	-	-	-	-
80	Insurance activities	-	-	-	-	-	-	-
90	Property, plant and equipment	256	254	254	-	-	-	-
100	Intangible assets	129	194	49	-	-	-	145
110	Tax assets	368	351	286	-	-	-	65
120	Non-current assets and disposal groups	158	374	374	-	-	-	-
130	Other assets	552	559	559	-	-	-	-
	Total assets	21,648	21,928	20,407	121	1,109	27	290
Liabilities								
10	Financial liabilities measured at amortised cost	18,716	18,608	-	3151	-	-	328
20	Financial liabilities held for trading	27	27	-	27	-	27	-
30	Financial liabilities designated at fair value	-	-	-	-	-	-	-
40	Hedging derivatives	34	34	-	34	-	-	-
50	Value adjustment of financial liabilities hedged	-3	-3	-	-	-	-	-
60	Tax liabilities	117	117	-	-	-	-	18
70	Liabilities associated with assets held for sale	-	390	-	-	-	-	-
80	Other liabilities	498	497	-	-	-	-	-
90	Post-employment benefits	11	11	-	-	-	-	-
100	Provisions for risks and charges	107	107	-	-	-	-	-
110	Insurance liabilities	-	-	-	-	-	-	-
120	Valuation reserves	-17	-17	-	-	-	-	-17
130	Reimbursable shares	-	-	-	-	-	-	-
140	Equity	-	-	-	-	-	-	-
150	Reserves	1,605	1,605	-	-	-	-	1,605
155	Interim dividends	-73	-73	-	-	-	-	-
160	Share premium	229	229	-	-	-	-	229
170	Share capital	62	62	-	-	-	-	62
180	Treasury shares	-14	-14	-	-	-	-	-14
190	Equity attributable to non-controlling interests	21	21	-	-	-	-	6
200	Profit for the year	328	328	-	-	-	-	199
	Total liabilities and equity	21,648	21,928	-	3212	-	27	2,416

Table EU LI1 shows, with reference to 31 December 2025, the reconciliation of the Consolidated Balance Sheet data (Published Financial Statements) with the Balance Sheet data according to the Regulatory Scope, as well as the breakdown of financial statements items among regulatory risk categories. Differences between the financial statements values according to the accounting perimeter and the financial statements values according to the regulatory perimeter are attributable to the different consolidation methods used for specific companies.

Table 11 – Template EU LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	Total	Items subject to				
		credit risk framework	securitisation framework	CCR framework	market risk framework	
1	Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)	21,664	20,407	1,109	121	27
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)	3,239			3,212	27

	Total	Items subject to				
		credit risk framework	securitisation framework	CCR framework	market risk framework	
3	Total net amount under the regulatory scope of consolidation	24,903	20,407	1,109	3,333	54
4	Off-balance-sheet amounts	1,847	1,847			
5	Valuation differences					
6	Differences due to compensation rules other than those already included in line 2					
7	Differences due to the treatment of value adjustments					
8	Differences due to the use of credit risk mitigation (CRM) techniques	0	31	-31		
9	Differences due to credit conversion factors	-1,084	-1,084			
10	Differences due to securitisation with risk transfer					
11	Other differences	746	55		691	
12	Amounts of exposures considered for regulatory purposes	26,358	21,256	1,078	4,024	

Table EU LI2 shows the reconciliation between the total amount based on the Supervisory scope of consolidation (carrying amounts) and the exposure value subject to capital requirements, for each type of risk. The main differences between the carrying values determined on the basis of Supervisory consolidation and the exposure amounts determined for regulatory purposes, can be attributed mainly to the following phenomena:

- off-balance sheet amounts;
- differences due to credit conversion factors;
- other differences that mainly include exposure to CVA, counterparty risk related to SFT transactions, and derivative exposures.

Table 12 – Template EU LI3: Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Prudential consolidation					Final classification
		line-by-line consolidation	proportional consolidation	equity method	neither consolidated nor deducted	deducted	
BANCA IFIS S.P.A.	Line-by-line	x					Credit institution
IFIS FINANCE SP ZOO	Line-by-line	x					Financial institution
IFIS FINANCE I.F.N. S.A.	Line-by-line	x					Financial institution
IFIS RENTAL SERVICES S.R.L.	Line-by-line			x			Production companies
CAP.ITAL.FIN S.P.A.	Line-by-line	x					Financial institution
BANCA CREDIFARMA S.P.A.	Line-by-line	x					Credit institution
IFIS NPL INVESTING S.P.A.	Line-by-line	x					Financial institution
IFIS NPL SERVICING S.P.A.	Line-by-line	x					Financial institution
IFIS ABC PROGRAMME S.R.L. (*)	Line-by-line	x					Vehicle Company
INDIGO LEASE S.R.L. (*)	Line-by-line	x					Vehicle Company
EMMA SPV S.R.L. (*)	Line-by-line	x					Vehicle Company
IFIS NPL 2021-1 SPV S.R.L.	Line-by-line	x					Vehicle Company
Fürstenberg Sim	Line-by-line	x					SIM
Eduzia S.R.L.	Equity	x		x			Production companies
Illimity Bank S.p.A.	Line-by-line	x					Credit institution
LAISA – Società tra Avvocati per Azioni	Equity			x			Production companies
Space Direct Lending Fund (*)	Line-by-line	x					UCITS funds
Enervitabio San Giuseppe Società Agricola S.r.l.	Line-by-line	x					Production companies
Renit CPV S.r.l.	Line-by-line	x					Production companies
Little Spicy S.r.l.	Line-by-line	x					Production companies
Vela 2023 LeaseCo S.r.l.	Line-by-line	x					Production companies
Eolo LeaseCo S.r.l.	Line-by-line	x					Production companies

Name of the entity	Method of accounting consolidation	Prudential consolidation					Final classification
		line-by-line consolidation	proportional consolidation	equity method	neither consolidated nor deducted	deducted	
AltermAlnd S.r.l.	Equity			x			Production companies
Irec Leaseco S.r.l.	Line-by-line	x					Production companies
CR Please Real Estate S.r.l.(*)	Line-by-line	x					Vehicle Company
Farm SPV S.r.l.(*)	Line-by-line	x					Vehicle Company
Iside SPE S.r.l.(*)	Line-by-line	x					Vehicle Company
Dome SPV S.r.l. (*)	Line-by-line	x					Vehicle Company
Havana SPV S.r.l. (*)	Line-by-line	x					Vehicle Company
Aporti S.r.l. (SPV)	Line-by-line	x					Vehicle Company
Soperga RE S.r.l.	Line-by-line	x					Production companies
Doria Leasco S.r.l.	Line-by-line	x					Production companies
Doria SPV S.r.l. (SPV)	Line-by-line	x					Vehicle Company
Friuli LeaseCo. S.r.l.	Line-by-line	x					Production companies
Friuli SPV S.r.l. (SPV)	Line-by-line	x					Vehicle Company
Pitti Leasco S.r.l.	Line-by-line	x					Production companies
Pitti SPV S.r.l. (SPV)	Line-by-line	x					Vehicle Company
River Leasco S.r.l.	Line-by-line	x					Production companies
River SPV S.r.l. (SPV)	Line-by-line	x					Vehicle Company
River Immobiliare S.r.l.	Line-by-line	x					Production companies
ARECneprix S.p.A.	Line-by-line	x					Production companies
Quimmo Prestige Agency S.r.l.	Line-by-line	x					Production companies
Fürstenberg Società di Gestione del Risparmio SPA	Line-by-line	x					SGR
Abilio S.p.A.	Line-by-line	x					Production companies
Quimmo Agency S.r.l.	Line-by-line	x					Production companies
MAUI SPE S.r.l. (*)	Line-by-line	x					Vehicle Company
Piedmont SPV S.r.l. (*)	Line-by-line	x					Vehicle Company
Dagobah LeaseCo S.r.l.	Line-by-line	x					Vehicle Company
Dagobah SPV S.r.l.	Line-by-line	x					Vehicle Company
Spicy Green SPV S.r.l. (*)	Line-by-line	x					Vehicle Company
SpicyCo2 S.r.l.	Line-by-line	x					Fund lenders and captive financial institutions
INGENII Open Finance (*)	Line-by-line	x					UCITS funds
INGENII Boost Finance (*)	Line-by-line	x					UCITS funds
Sileno SPV S.r.l.	Line-by-line	x					Vehicle Company
Mida RE S.r.l.	Line-by-line	x					Production companies
GRO SPV S.r.l. (*)	Line-by-line	x					Vehicle Company
Montes LeaseCo S.r.l.	Line-by-line	x					Production companies
Montes S.P.V. S.r.l.	Line-by-line	x					Vehicle Company
Mia SPV S.r.l.	Line-by-line	x					Vehicle Company
Farky SPV S.r.l. (*)	Line-by-line	x					Vehicle Company
Convivio SPV S.r.l.	n.a.		x				Vehicle Company
Hype S.p.A.	Shareholders' Equity		x				Electronic Money Institutions
SpicyCo S.r.l.	Line-by-line			x			Fund lenders and captive financial institutions

(*) Special Purpose Vehicles, not legally part of the Banca Ifis Group, set up for securitisation transactions for which a controlling relationship has been assessed in accordance with IFRS 10.

Table 13 – Template EU PV1: Prudent Valuation Adjustments (PVA)

AVA at category level		a	b	c	d	e	EU e1	EU e2	f	g	h
		Risk category					AVA at category level - Uncertainty of assessment		Total at post-diversification category level		
		Equity	Interest rates	Exchange rates	Credit	Commodities	AVA for unrealised credit spreads	AVA for investment and funding costs		of which total basic method in the trading book	of which total basic method in the banking book
1	Uncertainty of market quotations	-	-	-	-	-	-	-	-	-	-
2	Not applicable										
3	Closing costs	-	-	-	-	-	-	-	-	-	-
4	Concentrated positions	-	-	-	-	-			-	-	-
5	Early closure of positions	-	-	-	-	-			-	-	-
6	Model risk	-	-	-	-	-	-	-	-	-	-
7	Operational risk	-	-	-	-	-			-	-	-
8	Not applicable										
9	Not applicable										
10	Future administrative costs	-	-	-	-	-			-	-	-
11	Not applicable										
12	Total Additional Valuation Adjustments (AVA)								3	-	-

The Group does not exercise the exemptions referred to in Article 7 of EU Regulation 2013/575, concerning the application of prudential requirements on an individual basis. Furthermore, the individual consolidation method provided for in Article 9 of EU Regulation 2013/575 is not applied for each of its subsidiaries.

Each subsidiary, if it is supervised on an individual basis, maintains the prescribed minimum level of individual own funds and there are no current or anticipated material legal or factual impediments to the prompt transfer of own funds or repayment of liabilities by the parent company Banca Ifis.

3. Capital adequacy

For the sake of comparison, it should also be noted that until 31 December 2025, Banca Ifis, at the consolidated level, is required to comply with the following capital requirements, as part of the Supervisory Review and Evaluation Process (SREP):

- common equity tier 1 (CET 1) capital ratio of 8.82%, with a required minimum of 5.50%;
- Tier 1 capital ratio of 10.72%, with a required minimum of 7.40%;
- Total Capital Ratio of 13.12%, with a required minimum of 9.80%.

In order to ensure a level of capital that can absorb any losses arising from stress scenarios, as referred to in Article 104 ter of EU Directive 36/2013, the Bank of Italy has also set the following capital levels for the Banca Ifis Group:

- CET 1 ratio of 9.82%, consisting of an OCR CET1 ratio of 8.82% and a target component (Pillar 2 Guidance) of 1%;
- Tier 1 ratio of 11.72%, consisting of an OCR T1 ratio of 10.72% and a target component (Pillar 2 Guidance) of 1%;
- Total Capital Ratio of 14.12%, consisting of an OCR TC ratio of 13.12% and a target component (Pillar 2 Guidance) of 1%.

The Bank of Italy has decided to apply a SyRB (Systemic Risk Buffer) equal to 1.0% of credit and counterparty risk-weighted exposures to Italian residents to all banks authorised in Italy⁵ (the basis of calculation, therefore, is not as for the capital conservation reserve or the countercyclical reserve the total risk exposure).

The SyRB is to be applied at both consolidated and individual level.

It follows that to express the Combined Capital Reserve Requirement, which also includes the Systemic Risk Reserve, as a percentage of TREA, it is necessary to multiply the percentage set by the Bank of Italy (1%) by the ratio of:

- credit and counterparty risk-weighted exposures to residents in Italy (ERCCR);
- overall exposure to risk (TREA).

From which:

$$X\% = Ry\% * \frac{ERCCR}{TREA}$$

Where:

- X% is the new percentage requirement to be determined to calculate the Systemic Risk Reserve according to TREA and no longer ERCCR;
- Ry% is the percentage expressed by the Bank of Italy for the calculation of the Systemic Risk Reserve according to the ERCCR.

In this way, the systemic risk buffer ratio can be expressed as a function of TREA and, thus, the overall combined capital buffer requirement can also be expressed as a percentage of TREA.

Below is a comparative table of the requirements valid for 2025.

Table 14 – Capital ratios at consolidated level

Capital Decision Provision 0140859/24/24 of 23/01/24	CET 1 Ratio	TIER 1 Ratio	Total Capital Ratio
Minimum Regulatory Requirement (A) under Art. 92(1) CRR	4.50%	6%	8%
Additional requirement SREP - Component P2R (B)	1.00%	1.40%	1.80%
Total SREP Capital Requirement (TSCR threshold) (C = A + B)	5.50%	7.40%	9.80%
Capital conservation reserve buffer (D)	2.50%	2.50%	2.50%

Capital Decision Provision 0140859/24/24 of 23/01/24	CET 1 Ratio	TIER 1 Ratio	Total Capital Ratio
Specific Countercyclical Coefficient Countercyclical capital buffer (E)	0.034%	0.034%	0.034%
SyRB adjusted Systemic risk capital reserve (G)	0.79%	0.79%	0.79%
Overall ratio Combined buffer requirement (H = D + E + F + G)	3.32%	3.32%	3.32%
OCR Threshold - Overall Capital Requirement (I = C + H)	8.82%	10.72%	13.12%
Component P2G - Pillar 2 Guidance (L)	1.00%	1.00%	1.00%
Overall requirement (M = I + L)	9.82%	11.72%	14.12%
Actual result	12.95%	12.96%	15.32%
Surplus	3.134%	1.240%	1.202%

At 31 December 2025, the Banca Ifis Group easily met the above-specified requirements.

Procedure for determining the minimum own funds and eligible liabilities requirement (MREL)

As part of the resolution plan drafting activities conducted on the Banca Ifis Group, the Bank of Italy, as the National Resolution Authority, after consultation with the Supervisory Authority, determines the minimum requirement of own funds and eligible liabilities (MREL), governed by EU Regulation 2014/806 (the so-called SRMR) and subsequent updates.

In a letter dated 23.06.2025, the Bank of Italy, as the National Resolution Authority, notified Banca Ifis of the start of the relevant procedure to determine the MREL requirement, to be met on an individual basis. Banca Ifis did not comment on this.

On 15.09.2025, therefore, the Resolution Authority sent Banca Ifis the Provision determining the minimum requirement of own funds and eligible liabilities (MREL), confirming what had already been established in the aforementioned letter.

In compliance with the aforementioned provision, the MREL-TREA thresholds are determined by the Resolution Authority considering

- the requirement under Article 92(p1)(c) of Regulation 575/13 of the European Parliament and of the Council of the Union (which in the present case concerns the minimum threshold of the TCR, which is set at 8%);
- the requirement pursuant to Article 104 bis of Directive 2013/36/EU: P2R Pillar 2 requirement as determined by the Bank of Italy in the "Capital Decisions" measure pursuant to Article 67 ter, paragraph 1, letter d) TUB. The last capital measure reached Banca IFIS in January 2024, and since then the P2R threshold for the TCR has been set at 1.8%;
- Add-On additional to the combined capital reserve requirement in force at the time.

Table 15 – Capital ratios at individual level

MREL - TREA	
Minimum regulatory requirement pursuant to Art. 92(p1)(c) of Regulation 575/13 of the European Parliament and of the Council of the Union	8%
Additional SREP requirement - Component P2R (Requirement pursuant to Art. 104 bis of Directive 2013/36/EU)	1.80%
Add-On equal to the combined capital reserve requirement in force at the time	3.306%
THRESHOLD MREL - TREA	13.11%

From the numerator of the MREL - TREA (determined by the sum of own funds and eligible liabilities) and, in particular, from CET 1, the Combined Reserve Capital Requirement (time to time reported) must then be deducted. The ratio of this quantity to TREA must meet the above thresholds.

Alternatively, the MREL - TREA can be calculated:

- not deducting the combined capital reserve requirement from the numerator;
- calculating the minimum threshold as follows:
 - Minimum regulatory requirement pursuant to Article 92(1)(c) of regulation 2013/575 of the European Parliament and of the Council of the Union, which is 8%;

- Additional SREP requirement - component P2R (requirement under Article 104 bis of Directive EU 2013/36), equal to 1.8%;
- Add-on equal to twice the combined capital reserve requirement in force at the time, which was 6.61% at the reference date.

The minimum MREL - TREA calculated by adding the above components is 16.41%.

The results of the MREL - TREA at 31 December 2025 are shown below, considering the two options described above:

Table 16 – MREL - TREA at 31 December 2025

	Values option 1	Values option 2
MREL - TREA Minimum threshold	13.11%	16.41%
MREL - TREA actual	34.494%	37.800%
Difference between actual value and minimum threshold	21.388%	21.388%

Also in compliance with the aforementioned provision, the MREL-LRE thresholds are determined by the Resolution Authority considering

- the regulatory minimum requirement pursuant to Article 92(1) of Regulation 2013/575 of the European Parliament and of the Council of the Union, i.e. 3%;
- add-on equal to half of the combined capital reserve requirement in force at the time, which was 1.65% at the reference date.

Table 17 – Capital ratios at individual level

Capital ratios at consolidated level	MREL - LRE
Minimum regulatory requirement pursuant to Art. 92(p1)(d) of Regulation 575/13 of the European Parliament and of the Council of the Union	3%
0.5 * Add-On (equal to the combined capital reserve requirement in force at the time) At 31/12/2024, the 'Systemic Risk Reserve' will also have to be included in the calculation of the combined capital buffer requirement.	1.65%
THRESHOLD MREL - LREA	4.65%
MREL - LRE Actual	22.86%
Difference between Actual MREL and threshold value	18.21%

It should be noted in this regard that the MREL - LRE index is calculated by posing:

- as numerator, the sum of own funds and eligible liabilities. Unlike MREL - TREA, the combined capital reserve requirement is not to be deducted when calculating the numerator of MREL - LRE;
- in the denominator, the LRE as reported time by time.

Group liquidity position and coefficients

During 2025, the Group continued its strategy of differentiating between distribution channels, in order to ensure a better balance with respect to retail funding. The Group has liquidity at 31 December 2025 (in reserves and free assets that can be financed in the ECB) such as to enable it to easily respect the LCR limits (with index more than of 700%).

3.1. Own funds

3.1.1. Consolidated own funds and capital adequacy ratios at 31 December 2025

In the market disclosures for 31/12/2025, unlike the disclosures for 31/12/2024, the IFRS9 - FL template is no longer reported following the conclusion of the transitional regime pursuant to Art. 473 bis, paragraph 6 bis. In fact, impairment losses on loans are represented in the financial statements not only if actually incurred but also if expected (shift from the incurred loss model to the expected loss model).

Own funds, risk-weighted assets and capital ratios as at 31 December 2025 were determined on the basis of the harmonised rules for banks and investment firms contained in Directive 2013/36/EU (CRD) and Regulation (EU) No. 575/2013 (CRR), which transpose the standards set by the Basel Committee into the European Union.

On 19 June 2024, published in the Official Journal of the European Union were Regulation (EU) 1623/2024 (so-called "CRR3") of 31 May 2024 and Directive (EU) 2024/1619/EU (so-called CRD IV) of 31 May 2024 amending Regulation (EU) 575/2013 (CRR) and Directive 2013/36/EU (CRD) respectively.

With certain exceptions, the amendments came into force on 1 January 2025.

Table 18 – Own funds and capital ratios (Amounts with application of IFRS9 transitional provisions)

Own Funds and Capital Ratios (in thousands of Euro)	Figures at	
	31.12.2025 (*)	31.12.2024 (**)
Common Equity Tier 1 (CET1) capital	1,802,310	1,583,801
Tier 1 capital (T1)	1,803,194	1,584,703
Total Own Funds	2,131,775	1,781,416
Total RWAs	13,913,593	9,836,093
Common Equity Tier 1 ratio	12.95%	16.10%
Tier 1 Capital ratio	12.96%	16.11%
Ratio – Total Own Funds	15.32%	18.11%

(*) CET1, Tier1 and total Own funds (Total Capital) include the profits accrued by the Banking Group at 31 December 2025, net of the related dividend, including the portion distributed on an interim basis in compliance with the provisions of Article 2433, paragraph 4 of the Italian Civil Code.

(**) CET1, TIER1 and total Own funds (Total Capital) include the profits accrued by the Banking Group at 31 December 2024, net of the related dividend, including the portion distributed on an interim basis in compliance with the provisions of Article 2433, paragraph 4 of the Italian Civil Code.

At 31 December 2025, own funds, taking into account the transitional treatment adopted to sterilise the effects of unrealised gains and losses measured at fair value through other comprehensive income relating to exposures to central governments, amounted to 2,132 million Euro. Own funds also take into account:

- the profits accrued by the Banca Ifis Group at 31 December 2025, net of the related dividend, including the portion distributed on an interim basis in compliance with the provisions of Article 2433, paragraph 4 of the Italian Civil Code;
- the applicable amount of insufficient cover as provided for in Articles 36(1)(m) and 47 quarter of Regulation EU 2013/575;
- the effects arising from the IPO on illimity Bank and the consolidation of the illimity Group, the impacts of which are mainly attributable to i) capital increase to service the IPO in the amount of 183.5 million Euro ii) inclusion of the final "gain on a Bargain Purchase" in the amount of 309.9 million Euro, following the conclusion of the PPA process required by IFRS 3.

Table 19 – RWA by sectors at 31/12/2025

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	SEGMENT COMMERCIAL & CORPORATE BANKING	COMMERCIAL & CORPORATE BANKING			NPL SEGMENT	SEGMENT NON-CORE & GOVERNANCE & SERVICES	illimity	TOTALE CONS. GROUP TOTAL
		of which: FACTORING AREA	of which: LEASING AREA	of which: CORPORATE BANKING & LENDING AREA				
Total RWA per segment	5,923,080	2,467,630	1,288,940	2,166,510	1,819,369	1,215,149	3,480,873	12,438,471
Market risk								70,152
Operational risk								1,193,979
Risk of adjustment of the credit rating								210,992

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	SEGMENT COMMERCIAL & CORPORATE BANKING	COMMERCIAL & CORPORATE BANKING			NPL SEGMENT	SEGMENT NON-CORE & GOVERNANCE & SERVICES	illimity	TOTALE CONS. GROUP TOTAL
		of which: FACTORING AREA	of which: LEASING AREA	of which: CORPORATE BANKING & LENDING AREA				
Total RWA								13,913,593

At 31 December 2025, risk-weighted assets amounted to 13,914 million Euro, mainly attributable to the credit and counterparty risk component and, to a lesser extent, to operational, market and credit valuation adjustment (CVA) risk, and also taking into account the consolidation of the risk-weighted assets of the illimity Group.

Based on the above, the capital ratios at 31 December 2025 were as follows:

- CET1 Ratio of 12.95%;
- TIER 1 Ratio of 12.96%;
- Total Capital Ratio 15.32%.

Lastly, it should be noted that, following the agreements to sell the equity investment in Hype and a distressed position, which were finalised in January and February 2026, the pro-forma CET1 stands at 13.7% with an overall benefit of approximately 70bps.

Consolidated own funds and capital adequacy ratios – Fully Loaded

At 31 December 2025, excluding the transitional filter resulting from the sterilisation of unrealised gains and losses measured at fair value through other comprehensive income, relating to exposures to central governments, own funds amounted to 2,121 million Euro and RWA under full application amounted to 14,742 million Euro.

Table 20 – Own Funds and Capital Ratios (Fully Loaded)

Own Funds and Capital Ratios (in thousands of Euro)	Figures at	
	31.12.2025 (*)	31.12.2024 (**)
Common Equity Tier 1 (CET1) capital	1,791,696	1,561,703
Tier 1 capital (T1)	1,792,853	1,562,605
Total Own Funds	2,121,434	1,759,318
Total RWAs	14,741,738	9,836,093
Common Equity Tier 1 ratio	12.16%	15.88%
Tier 1 Capital ratio	12.16%	15.89%
Ratio – Total Own Funds	14.39%	17.89%

(*) CET1, Tier1 and total Own funds (Total Capital) include the profits accrued by the Banking Group at 31 December 2025, net of the related dividend, including the portion distributed on an interim basis in compliance with the provisions of Article 2433, paragraph 4 of the Italian Civil Code.

(**) CET1, TIER1 and total Own funds (Total Capital) include the profits accrued by the Banking Group at 31 December 2024, net of the related dividend, including the portion distributed on an interim basis in compliance with the provisions of Article 2433, paragraph 4 of the Italian Civil Code.

3.1.2. Disclosure regarding Sovereign Debt

On 5 August 2011, CONSOB (drawing on ESMA document No. 2011/266 of 28 July 2011) issued Communication No. DEM/11070007 on disclosures by listed companies of their exposures to sovereign debt and market performance, the management of exposures to sovereign debt, and their operating and financial impact.

In accordance with the requirements of the aforementioned communication, it should be noted that at 31 December 2025 the carrying amount of sovereign debt exposures is 3,987 million Euro, net of the negative valuation gross reserve of 10.3 million Euro.

These securities, with a nominal amount of approximately 4.112 million Euro, have a weighted residual average life of approximately 72 months.

The fair values used to measure the exposures to Sovereign debt securities at 31 December 2025 are considered to be Level 1.

Pursuant to the CONSOB Communication, besides the exposure to Sovereign debt, it is also necessary to consider receivables due from the Italian National Administration, which at 31 December 2025 total 282 million Euro, including 65 million Euro relating to tax receivables.

3.1.3. Main features of regulatory own funds instruments and eligible liabilities instruments

Below is the information in tabular format provided in Article 447 of Regulation 575/13 (and subsequent updates) and implemented in Template EU CCA of Regulation 3172/2024.

Table 21 - Template EU CCA: main features of regulatory own funds instruments and eligible liabilities instruments

		Qualitative or quantitative information	
		31/12/2025	31/12/2024
1	Issuer:	BANCA IFIS SPA	BANCA IFIS SPA
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	IT0003188064	IT0003188064
2a	Public or private placement	Public	Public
3	Governing law(s) of the instrument	Italian law	Italian law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A	N/A
Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional CRR rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/(sub-) consolidated / solo & (sub) consolidated	Single entity and consolidated	Single entity and consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Ordinary shares
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	277	118
9	Nominal amount of instrument	62	54
EU-9a	Issue price	62	54
EU-9b	Redemption price	N/A	N/A
10	Accounting classification	Shareholders' Equity	Shareholders' Equity
11	Original date of issuance	07/10/2003	07/10/2003
12	Perpetual or	dated	dated
13	Original maturity date	N/A	N/A
14	Issuer call subject to prior supervisory approval	N/A	N/A
15	Optional call date, contingent call dates and redemption amount	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A
Coupons/dividends			
17	Fixed or floating dividend/coupon	floating	floating
18	Coupon rate and any related index	N/A	N/A
19	Existence of a dividend stopper	NO	NO
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A	N/A
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A	N/A
21	Existence of step up or other incentive to redeem	N/A	N/A
22	Non-cumulative or cumulative	N/A	N/A
23	Convertible or non-convertible	N/A	N/A
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A

		Qualitative or quantitative information	
		31/12/2025	31/12/2024
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A
30	Write-down features	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A
32	If write-down, full or partial	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A
34	If temporary write-down, description of write-up mechanism	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	N/A	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	N/A
36	Non-compliant transitioned features	NO	NO
37	If yes, specify non-compliant features	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A	N/A

Enter 'N/A' if the information does not apply

		Qualitative or quantitative information	
		31/12/2025	31/12/2024
1	Issuer:	Banca Ifis S.p.A.	Banca Ifis S.p.A.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS1700435453	XS1700435453
2a	Public or private placement	Public	Public
3	Governing law(s) of the instrument	English Law	English Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N.A.	N.A.
Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at solo/(sub-) consolidated / solo & (sub-) consolidated	Single Entity and consolidation	Single Entity and consolidation
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bond - Article 62 CRR	Subordinated bond - Article 62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	126	196
9	Nominal amount of instrument	400	400
EU-9a	Issue price	100	100
EU-9b	Redemption price	100	100
10	Accounting classification	Liabilities - amortised cost	Liabilities - amortised cost
11	Original date of issuance	17.10.2017	17.10.2017
12	Perpetual or	At maturity	At maturity
13	Original maturity date	17.10.2027	17.10.2027
14	Issuer call subject to prior supervisory approval	YES	YES
15	Optional call date, contingent call dates and redemption amount	17.10.2022	17.10.2022
16	Subsequent call dates, if applicable	N.A.	N.A.
Coupons/dividends		Coupon	Coupon
17	Fixed or floating dividend/coupon	Fixed coupon 4.50% until 17.10.2022 with possible subsequent reset	Fixed coupon 4.50% until 17.10.2022 with possible subsequent reset
18	Coupon rate and any related index	4.50% until 17.10.2022. Subsequently 7.38% until 17.10.2027	4.50% until 17.10.2022. Subsequently 7.38% until 17.10.2027
19	Existence of a dividend stopper	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N.A.	N.A.
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N.A.	N.A.
21	Existence of step up or other incentive to redeem	Coupon reset on 17.10.2022 in 5Y Swap Rate + 4.251%	Coupon reset on 17.10.2022 in 5Y Swap Rate + 4.251%
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N.A.	N.A.
25	If convertible, fully or partially	N.A.	N.A.
26	If convertible, conversion rate	N.A.	N.A.

		Qualitative or quantitative information	
		31/12/2025	31/12/2024
27	If convertible, mandatory or optional conversion	N.A.	N.A.
28	If convertible, specify instrument type convertible into	N.A.	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.	N.A.
30	Write-down features	N.A.	N.A.
31	If write-down, write-down trigger(s)	N.A.	N.A.
32	If write-down, full or partial	N.A.	N.A.
33	If write-down, permanent or temporary	N.A.	N.A.
34	If temporary write-down, description of write-up mechanism	N.A.	N.A.
34a	Type of subordination (only for eligible liabilities)		
EU-34b	Ranking of the instrument in normal insolvency proceedings		
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Junior versus senior unsecured instruments	Junior versus senior unsecured instruments
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N.A.	N.A.
37a	Link to the full term and conditions of the instrument (signposting)	https://www.bancaifis.it/app/uploads/2020/06/Banca-IFIS-Bond-Sub.-2017-2027-450-Final-Terms-1.pdf	

Enter 'N/A' if the information does not apply

		Qualitative or quantitative information	
		31/12/2025	31/12/2024
1	Issuer:	Illimity bank S.p.A.	Illimity bank S.p.A.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	XS2361258317	XS2361258317
2a	Public or private placement	Public	Public
3	Governing law(s) of the instrument	Italian Law	Italian Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes
Regulatory treatment		Yes	Yes
4	Current treatment taking into account, where applicable, transitional CRR rules	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital
6	Eligible at solo/(sub-) consolidated / solo & (sub-) consolidated	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bond - Article 62 CRR	Subordinated bond - Article 62 CRR
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	202	200
9	Nominal amount of instrument	200	200
EU-9a	Issue price	100	100
EU-9b	Redemption price	100	100
10	Accounting classification	Liabilities - amortised cost	Liabilities - amortised cost
11	Original date of issuance	07/07/2021	07/07/2021
12	Perpetual or	At maturity	At maturity
13	Original maturity date	07/10/2031	07/10/2031
14	Issuer call subject to prior supervisory approval	YES	YES
15	Optional call date, contingent call dates and redemption amount	Call Period 07/07/2026 - 7/10/2026	Call Period 07/07/2026 - 7/10/2026
16	Subsequent call dates, if applicable	N.A.	N.A.
Coupons/dividends		<i>Coupon</i>	<i>Coupon</i>
17	Fixed or floating dividend/coupon	Fixed coupon 4,375% until 07.10.2026 with possible subsequent reset	Fixed coupon 4,375% until 07.10.2026 with possible subsequent reset
18	Coupon rate and any related index	Fixed coupon 4.375% until 07.10.2026, subsequent period refixing Mid Swap 5Y + spread 4.607%.	Fixed coupon 4.375% until 07.10.2026, subsequent period refixing Mid Swap 5Y + spread 4.607%.
19	Existence of a dividend stopper	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N.A.	N.A.
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N.A.	N.A.
21	Existence of step up or other incentive to redeem	Coupon reset on 07.10.2026 in 5Y Swap Rate + 4.607%	Coupon reset on 07.10.2026 in 5Y Swap Rate + 4.607%
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible

		Qualitative or quantitative information	
		31/12/2025	31/12/2024
24	If convertible, conversion trigger(s)	N.A.	N.A.
25	If convertible, fully or partially	N.A.	N.A.
26	If convertible, conversion rate	N.A.	N.A.
27	If convertible, mandatory or optional conversion	N.A.	N.A.
28	If convertible, specify instrument type convertible into	N.A.	N.A.
29	If convertible, specify issuer of instrument it converts into	N.A.	N.A.
30	Write-down features	N.A.	N.A.
31	If write-down, write-down trigger(s)	Pursuant to Directive 2014/59/EU and Article 15 of the underwriting contract, a resolution authority may exercise the bail-in powers (i.e. the write-down and conversion powers described in the document published from time to time by the Loan Market Association (or any successor legal entity) on the Loan Market Association's website).	Pursuant to Directive 2014/59/EU and Article 15 of the underwriting contract, a resolution authority may exercise the bail-in powers (i.e. the write-down and conversion powers described in the document published from time to time by the Loan Market Association (or any successor legal entity) on the Loan Market Association's website).
32	If write-down, full or partial	Full or partial	Full or partial
33	If write-down, permanent or temporary	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N.A.	N.A.
34a	Type of subordination (only for eligible liabilities)		
EU-34b	Ranking of the instrument in normal insolvency proceedings		
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Junior versus senior unsecured instruments	Junior versus senior unsecured instruments
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	N.A.	N.A.
37a	Link to the full term and conditions of the instrument (signposting)	https://ise-prodnr-eu-west-1-dataintegration.s3-eu-west-1.amazonaws.com/202107/2b39d5f7-7ca7-4af8-bdb3a75fc87b02ba.pdf	

Enter 'N/A' if the information does not apply

3.1.4. Quantitative information

Table 22– Template EU CC1: Composition of regulatory own funds

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	291	30, 31
	Of which: instrument type 1	-	-
	Of which: instrument type 2	-	-
	Of which: instrument type 3	-	-
2	Retained earnings	1,568	29A
3	Accumulated other comprehensive income (and other reserves)	20	25, 29B
EU-3a	Funds for general banking risks	-	-
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	-
5	Minority interests (amount allowed in consolidated CET1)	4	33A
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	199	34
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	2,081	-
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(3)	35
8	Intangible assets (net of related tax liability) (negative amount)	(145)	10
9	Not applicable	-	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(47)	11B, 19B

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	-
12	Negative amounts resulting from the calculation of expected loss amounts	-	-
13	Any increase in equity that results from securitised assets (negative amount)	-	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	-
15	Defined benefit pension fund assets (negative amount)	-	-
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	(14)	32
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
20	Not applicable	-	-
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	-
EU-20b	Of which: qualifying holdings outside the financial sector (negative amount)	-	-
EU-20c	Of which: securitisation positions (negative amount)	-	-
EU-20d	Of which: free deliveries (negative amount)	-	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	-
22	Amount exceeding the 17,65% threshold (negative amount)	-	-
23	Of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	-
24	Not applicable	-	-
25	Of which: deferred tax assets arising from temporary differences	-	-
EU-25a	Losses for the current financial year (negative amount)	-	-
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	-
26	Not applicable	-	-
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	-
27a	Other regulatory adjustments	(71)	36, 37
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(279)	-
29	Common Equity Tier 1 (CET1) capital	1,802	-
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	-
31	Of which: classified as equity under applicable accounting standards	-	-
32	Of which: classified as liabilities under applicable accounting standards	-	-
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	-
EU-33a	Amount of qualifying items referred to in Article 494 bis(1) CRR subject to phase out from AT1	-	-
EU-33b	Amount of qualifying items referred to in Article 494 ter(1) CRR subject to phase out from AT1	-	-
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	1	33A
35	of which: instruments issued by subsidiaries subject to phase out	-	-
36	Additional Tier 1 (AT1) capital before regulatory adjustments	1	-
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	-
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the	-	-

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	institution designed to inflate artificially the own funds of the institution (negative amount)		
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
41	Not applicable	-	-
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	-
42a	Other regulatory adjustments to AT1 capital	-	-
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	-
44	Additional Tier 1 (AT1) capital	1	-
45	Tier 1 capital (T1 = CET1 + AT1)	1,803	-
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	328	14C
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	-
EU-47a	Amount of qualifying items referred to in Article 494 bis (2) CRR subject to phase out from T2	-	-
EU-47b	Amount of qualifying items referred to in Article 494 ter (2) CRR subject to phase out from T2	-	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	1	33A
49	of which: instruments issued by subsidiaries subject to phase out	-	-
50	Credit risk adjustments	-	-
51	Tier 2 (T2) capital before regulatory adjustments	329	-
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	-
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	-
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	-
54a	Not applicable	-	-
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	-
56	Not applicable	-	-
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	-
EU-56b	Other regulatory adjustments to T2 capital	-	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-	-
58	Tier 2 (T2) capital	329	-
59	Total capital (TC = T1 + T2)	2,132	-
60	Total risk exposure amount	13,914	-
Capital ratios and buffers			
61	Common Equity Tier 1 capital	12.95%	-
62	Tier 1 capital	12.96%	-
63	Total capital	15.32%	-
64	Institution CET1 overall capital requirement	8.82%	-
65	Of which: capital conservation buffer requirement	2.50%	-
66	Of which: countercyclical buffer requirement	0.03%	-
67	Of which: systemic risk buffer requirement	0,79%	-
EU-67a	Of which: global systemically important institution (G-SII) or other systemically important institution (O-SII) capital buffer requirement	-	-
EU-67b	Of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.00%	-

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	5.52%	-
National minimum (if different from Basel III)			
69	Not applicable	-	-
70	Not applicable	-	-
71	Not applicable	-	-
Amounts below the deduction thresholds (before risk-weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	105	-
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	20	-
74	Not applicable	-	-
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	76	-
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	-
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	-
82	Current cap on AT1 instruments subject to phase out arrangements	-	-
83	Amount excluded from AT1 due to cap (exceeded cap after repayments and maturities)	-	-
84	Current cap on T2 instruments subject to phase out arrangements	-	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-

Table 23 – Template EU CC2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements

	Balance sheet as in published financial statements	In the context of prudential consolidation	Amount relevant for Own Funds			Reference
			Common Equity Tier 1 (CET1) capital	Additional Tier 1 (AT1) capital	Tier 2 (T2) capital	
	As at period end	As at period end				
Assets						
1	10. Cash and cash equivalents	787	781	-	-	-
2	20. Financial assets measured at fair value through profit or loss	808	808	-	-	-
2A	A) Financial assets held for trading	27	27	-	-	-
2B	B) Financial assets designated at fair value	-	-	-	-	-
2C	C) Other financial assets mandatorily measured at fair value	781	781	-	-	-
3	30. Financial assets measured at fair value through other comprehensive income	1,659	1,659	-	-	-
4	40. Financial assets measured at amortised cost	16,836	16,683	-	-	-
4A	A) Due from banks	700	700	-	-	-
4B	B) Loans to customers	16,136	15,983	-	-	-
5	50. Hedging derivatives	61	61	-	-	-
6	60. Value adjustment of financial assets generically hedged (+/-)	-	-	-	-	-
7	70. Equity investments	34	204	-	-	-
8	80. Insurance activities	-	-	-	-	-
8A	a) insurance contracts issued that constitute assets	-	-	-	-	-
8B	b) outward reinsurance that constitute assets	-	-	-	-	-

		Balance sheet as in published financial statements	In the context of prudential consolidation	Amount relevant for Own Funds			Reference
		As at period end	As at period end	Common Equity Tier 1 (CET1) capital	Additional Tier 1 (AT1) capital	Tier 2 (T2) capital	
9	90. Property, plant and equipment	256	254	-	-	-	-
10	100. Intangible assets	129	194	(145)	-	-	8
10A	- Goodwill	55	120	(120)	-	-	8
10B	- Other intangible assets	74	74	(25)	-	-	8
11	110. Tax assets	368	351	(65)	-	-	10
11A	A) Current	117	117	-	-	-	-
11B	B) Prepaid	251	234	(65)	-	-	10
12	120. Non-current assets and disposal groups	158	374	-	-	-	-
13	130. Other assets	552	559	-	-	-	-
	Total assets	21,648	21,928	(210)	-	-	-
Liabilities and Equity							
14	10. Financial liabilities measured at amortised cost	18,716	18,608	-	-	328	46
14A	A) Payables due to banks	4,018	4,018	-	-	-	-
14B	B) Payables due to customers	11,257	11,149	-	-	-	-
14C	C) Securities issued	3,441	3,441	-	-	328	46
15	20. Financial liabilities held for trading	27	27	-	-	-	-
16	30. Financial liabilities designated at fair value	-	-	-	-	-	-
17	40. Hedging derivatives	34	34	-	-	-	-
18	50. Value adjustment to financial liabilities with generic hedges (+/-)	(3)	(3)	-	-	-	-
19	60. Tax liabilities	117	116	18	-	-	10
19A	A) current	70	69	-	-	-	-
19B	B) deferred	47	47	18	-	-	10
20	70. Liabilities associated with disposal groups	-	390	-	-	-	-
21	80. Other liabilities	498	497	-	-	-	-
22	90. Post-employment benefits	11	11	-	-	-	-
23	100. Provisions for risks and charges	107	107	-	-	-	-
23A	A) commitments and guarantees granted	9	9	-	-	-	-
23B	B) pensions and similar obligations	0	0	-	-	-	-
23C	C) other provisions for risks and charges	98	98	-	-	-	-
24	110. Insurance liabilities	-	-	-	-	-	-
24A	a) Insurance contracts issued that constitute liabilities	-	-	-	-	-	-
24B	b) outward reinsurance that constitute liabilities	-	-	-	-	-	-
	Total Liabilities	19,507	19,787	18	-	328	-
25	120. Valuation reserves	(17)	(17)	(17)	-	-	3
25A	120. RESERVES FROM VALUATION - of which discontinued operations	-	-	-	-	-	-
26	130. Reimbursable shares	-	-	-	-	-	-
27	140. Equity	-	-	-	-	-	-
28	145. Interim dividends	(73)	(73)	-	-	-	-
29	150. Reserves	1,605	1,605	1,605	-	-	2,3
29A	150. A) profit reserves	1,568	1,568	1,568	-	-	2
29B	150. B) other reserves	37	37	37	-	-	3
30	160. Share premiums	229	229	229	-	-	1
31	170. Share capital	62	62	62	-	-	1
32	180. Treasury shares (-)	(14)	(14)	(14)	-	-	16
33	190. Equity attributable to non-controlling interests (+/-)	21	21	-	-	-	-
33A	190. Minority interests (+/-) - of which discontinued operations	-	-	4	1	1	5, 34, 48
34	200. Profit (loss) for the year	328	328	199	-	-	EU-5a
	Shareholders' Equity	2,141	2,141	2,068	1	1	-
Own funds							
35	(-) Value adjustments due to prudent valuation requirements	-	-	(3)	-	-	7
36	Transient Filters	-	-	10	-	-	27a
37	(-) Insufficient coverage for non-performing exposures	-	-	(81)	-	-	27a

	Balance sheet as in published financial statements	In the context of prudential consolidation	Amount relevant for Own Funds			Reference		
			As at period end	As at period end	Comm on Equity Tier 1 (CET1) capital		Addition al Tier 1 (AT1) capital	Tier 2 (T2) capita l
Own funds	-	-	1,802	1	329	-		

3.2. Countercyclical capital buffer

3.2.1. Quantitative information

Table 24 – Template EU CCYB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures		Relevant credit exposures - Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own funds requirements				Risk-weighted exposure amounts	Weighting factors for own funds requirement	Country clical buffer rate
	Exposure value under	Exposure	Sum of long	Value of			Relevant credit	Relevant credit	Relevant credit	Total			
Abu Dhabi	12	-	-	-	-	12	1	-	-	1	12	0.069%	0.000%
Albania	-	-	-	-	-	-	-	-	-	-	-	0.001%	0.000%
Algeria	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Other Countries	28	-	-	-	-	28	-	-	-	-	-	0.001%	0.000%
Saudi Arabia	17	-	-	-	-	17	1	-	-	1	17	0.095%	0.000%
Argentina	1	-	-	-	-	1	-	-	-	-	1	0.004%	0.000%
Armenia	-	-	-	-	-	-	-	-	-	-	-	0.000%	1.500%
Australia	5	-	-	-	1	7	-	-	-	-	6	0.032%	1.000%
Austria	9	-	-	-	4	13	1	-	-	1	10	0.058%	0.000%
Belgium	2	-	-	-	3	5	-	-	-	-	3	0.014%	1.000%
Belarus	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Bolivia	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Bosnia and Herzegovina	-	-	-	-	-	-	-	-	-	-	-	0.002%	0.000%
Brazil	1	-	-	-	-	1	-	-	-	-	-	0.002%	0.000%
Bulgaria	-	-	-	-	-	-	-	-	-	-	-	0.002%	2.000%
Burkina Faso	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Canada	13	-	-	-	-	13	1	-	-	1	13	0.072%	0.000%
Cape Verde	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Czech (Republic)	7	-	-	-	1	8	1	-	-	1	7	0.039%	1.250%
Chile	-	-	-	-	-	-	-	-	-	-	-	0.001%	0.500%
China	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Cyprus	-	-	-	-	-	-	-	-	-	-	-	0.000%	1.000%
Colombia	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
South Korea (Republic of)	-	-	-	-	-	-	-	-	-	-	-	0.003%	1.000%
Ivory Coast	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Croatia	1	-	-	-	-	2	-	-	-	-	1	0.007%	1.500%
Denmark	19	-	-	-	8	27	2	-	-	2	25	0.144%	2.500%
Dominican (Republic)	-	-	-	-	-	-	-	-	-	-	-	0.001%	0.000%
Ecuador	-	-	-	-	-	-	-	-	-	-	-	0.002%	0.000%
Egypt	1	-	-	-	-	1	-	-	-	-	1	0.004%	0.000%
El Salvador	-	-	-	-	-	-	-	-	-	-	-	0.001%	0.000%
Estonia	-	-	-	-	-	-	-	-	-	-	-	0.000%	1.500%
Ethiopia	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Philippines	1	-	-	-	-	1	-	-	-	-	1	0.004%	0.000%
Finland	10	-	-	-	1	10	1	-	-	1	10	0.055%	0.000%
France	123	-	-	-	61	184	11	-	1	11	138	0.782%	1.000%
Georgia	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%

	General credit exposures		Relevant credit exposures - Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own funds requirements				Risk-weighted exposure amounts	Weighting factors for own funds requirement	Country specific buffer rate
	Exposure value under	Exposure	Sum of long	Value of			Relevant credit	Relevant credit	Relevant credit	Total			
Germany	61	-	-	-	18	79	5	-	-	6	69	0.390%	0.750%
Ghana	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Japan	-	-	-	-	-	-	-	-	-	-	-	0.001%	0.000%
Greece	3	-	-	-	-	3	-	-	-	-	3	0.016%	0.250%
Guatemala	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Guernsey	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Hong Kong	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.500%
India	3	-	-	-	4	7	-	-	-	-	4	0.023%	0.000%
Indonesia	1	-	-	-	-	1	-	-	-	-	1	0.003%	0.000%
Iraq	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Ireland	6	-	-	-	210	216	-	-	3	3	37	0.212%	1.500%
Iceland	-	-	-	-	-	-	-	-	-	-	-	0.000%	2.500%
Israel	-	-	-	-	1	1	-	-	-	-	1	0.003%	0.000%
Italy	19,614	-	-	-	804	20,417	1,167	-	173	1,341	16,761	94.845%	0.000%
Latvia	-	-	-	-	-	-	-	-	-	-	-	0.000%	1.000%
Libya	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Lithuania	-	-	-	-	-	-	-	-	-	-	-	0.000%	1.000%
Luxembourg	126	-	-	-	-	126	11	-	-	11	141	0.797%	0.500%
Macedonia	-	-	-	-	-	-	-	-	-	-	-	0.001%	0.000%
Malaysia	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Malta	3	-	-	-	-	3	-	-	-	-	3	0.017%	0.000%
Morocco	4	-	-	-	-	4	-	-	-	-	4	0.024%	0.000%
Mexico	4	-	-	-	2	6	-	-	-	-	5	0.027%	0.000%
Moldova (Republic of)	-	-	-	-	-	-	-	-	-	-	-	0.001%	0.000%
Montenegro	-	-	-	-	-	-	-	-	-	-	-	0.001%	0.000%
Nigeria	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Norway	1	-	-	-	-	1	-	-	-	-	1	0.005%	2.500%
The Netherlands	10	-	-	-	2	12	1	-	-	1	12	0.065%	0.000%
Peru	-	-	-	-	-	-	-	-	-	-	-	0.001%	0.000%
Poland	51	-	-	-	2	52	4	-	-	4	51	0.291%	1.000%
Portugal	2	-	-	-	1	3	-	-	-	-	2	0.012%	0.000%
Principality of Monaco	2	-	-	-	-	2	-	-	-	-	2	0.011%	0.000%
Qatar	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
United Kingdom	35	-	-	-	5	40	3	-	-	3	36	0.204%	2.000%
Romania	38	-	-	-	-	38	3	-	-	3	38	0.215%	1.000%
Russia (Federation of)	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
San Marino	3	-	-	-	-	3	-	-	-	-	3	0.018%	0.000%
Senegal	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Serbia	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Singapore	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Slovakia	1	-	-	-	-	1	-	-	-	-	1	0.004%	1.500%
Slovenia	5	-	-	-	-	5	-	-	-	-	5	0.028%	1.000%
Spain	33	-	-	-	2	35	3	-	-	3	34	0.195%	0.500%
United States	37	-	-	-	7	43	3	-	-	3	39	0.222%	0.000%
South Africa (Republic)	-	-	-	-	-	1	-	-	-	-	1	0.003%	0.000%
Sudan	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Sweden	4	-	-	-	1	5	-	-	-	-	4	0.022%	2.000%
Switzerland	115	-	-	-	7	122	9	-	-	9	116	0.659%	0.000%
Taiwan	-	-	-	-	-	-	-	-	-	-	-	0.001%	0.000%
Thailand	-	-	-	-	-	-	-	-	-	-	-	0.000%	0.000%
Tunisia	7	-	-	-	-	7	-	-	-	-	5	0.031%	0.000%

	General credit exposures		Relevant credit exposures - Market risk		Securitisat ion exposures Exposure value for non-trading book	Total exposure value	Own funds requirements				Risk-weighted exposure amounts	Weighting factors for own funds requirement	Country clical buffer rate
	Exposu re value under	Exposu re	Sum of long	Value of			Releva nt credit	Releva nt credit	Releva nt credit exposu	Total			
Turkey	41	-	-	-	-	41	3	-	-	3	41	0.233%	0.000%
Ukraine	-	-	-	-	-	-	-	-	-	-	-	0,000%	0.000%
Uganda	-	-	-	-	-	-	-	-	-	-	-	0,000%	0.000%
Hungary	-	-	-	-	1	1	-	-	-	-	1	0.003%	1.000%
Uruguay	3	-	-	-	-	3	-	-	-	-	3	0.015%	0.000%
Uzbekistan	-	-	-	-	-	-	-	-	-	-	-	0,000%	0.000%
Venezuela	-	-	-	-	-	-	-	-	-	-	-	0,000%	0.000%
Vietnam	1	-	-	-	-	1	-	-	-	-	1	0.006%	0.000%
Zimbabwe	-	-	-	-	-	-	-	-	-	-	-	0,000%	0.000%
Total	20,464	-	-	-	1,148	21,613	1,237	-	177	1,414	17,672	100%	

Table 25 – Template EU CCYB2: Amount of institution-specific countercyclical capital buffer

		a
1	Total risk exposure amount	13,914
2	Institution specific countercyclical capital buffer rate	0.03%
3	Institution specific countercyclical capital buffer requirement	5

4. Financial leverage

4.1. Leverage ratio

4.1.1. Leverage risk management process

The risk of excessive financial leverage is the risk that a particularly high level of indebtedness in relation to the Group's capital endowment will make it vulnerable, so that it needs to adopt corrective measures to its business plan, including the sale of assets with the recording of losses that could lead to adjustments to the value of the remaining assets.

Article 92(1)(d) requires institutions to meet a leverage ratio of 3% at all times. In this regard, it should be noted that in Capital Decision Order 0140859/24/24 of 23/01/24, the Bank of Italy did not impose the P2R - LR component, nor did it request the application of the P2G - LR component.

The leverage ratio restricts the expansion of overall exposures to the availability of an adequate capital base and containing, in the expansive phases of the economic cycle, the level of Bank indebtedness, thus helping to reduce the risk of deleveraging processes in crisis situations.

The indicator derives from the ratio of Own Funds for the component represented by the elements and instruments of Tier 1 capital and the amount of total exposures, on and off balance sheet, appropriately calibrated in application of specific conversion factors. For regulatory purposes, the measurement of the leverage ratio is carried out using IT procedures dedicated to the periodic production of statistical reports and consolidated prudential supervision.

The indicator, calculated on a quarterly basis at a consolidated level, is monitored and is one of the reference metrics within the Risk Appetite Framework for monitoring the Group's risks and capital adequacy.

At the reporting date, the leverage ratio was 7,78%, more than 2 times higher than the regulatory minimum value of 3%.

4.1.2. Factors that had an impact on the change in the leverage ratio

The Leverage Ratio, calculated considering the transitional provisions for the determination of Tier 1 Capital, was 7.78% as at 31 December 2025, a decrease of - 2.93% compared to 31 December 2024 (10.71%).

The negative change is mainly attributable to the extraordinary transaction in which the Banca Ifis Group was involved in the acquisition of the former illimity Group.

This extraordinary transaction resulted in a more than proportional increase in the overall exposure compared to the increase in Tier 1 capital.

4.1.3. Quantitative information

Table 26- Template EU LR1 - LRSum: Summary reconciliation of accounting assets and financial leverage ratio exposure

		Applicable amount
		31.12.2025
1	Total assets as per published financial statements	21,648
2	Adjustment for entities consolidated for accounting purposes but are outside the scope of regulatory consolidation	279
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of central bank exposures (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of point (i) of Article 429 bis(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	411
9	Adjustment for securities financing transactions (SFTs)	592

		Applicable amount
		31.12.2025
10	Adjustment for off-balance sheet items (conversion to credit equivalent amounts of off-balance sheet exposures)	834
11	(Adjustment for prudent valuation adjustments and specific and general provisions that reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with (c) and (ca) of Article 429 bis(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429 bis(1) CRR)	-
12	Other adjustments	(590)
13	Leverage ratio total exposure measure	23,174

Table 27- Template EU LR2 - LRCOM: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		31/12/2025	31/12/2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	21,459	13,625
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as assets)	-	-
5	(Value adjustments on general receivables of items in the financial statements)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(230)	(120)
7	Total on-balance sheet exposures (excluding derivatives and SFT)	21,229	13,505
Derivative exposures			
8	Replacement cost associated with SA-CCR derivative transactions (net of eligible cash variation margin)	-	-
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	123	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives	-	-
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	377	-
EU-9b	Exposure determined under Original Exposure Method	-	182
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures	500	182
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	24	179
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	45	-
EU-16a	Derogation for SFT: Counterparty credit risk exposure in accordance with Articles 429 sexies(5) and 222 CRR	547	394
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	616	573
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	2,010	1,326
20	(Adjustments for conversion to credit equivalent amounts)	(1,181)	(796)
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance-sheet exposures	829	530
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429 bis(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429 bis(1) CRR (on and off balance sheet))	-	-
EU-22c	(Exposures of public development Banks (or units) excluded - Public sector investment)	-	-
EU-22d	(Exposures of public development Banks (or units) excluded - Subsidised loans)	-	-
EU-22e	(Excluded exposures arising from transfers (pass-through) of subsidised loans from an entity other than a public development bank (or unit))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429 bis(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429 bis(1) CRR)	-	-

		CRR leverage ratio exposures	
		31/12/2025	31/12/2024
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Excluded exposures to shareholders according to Article 429 bis(1), point (da) CRR)	-	-
EU-22l	(Exposures deducted in accordance with point (q) of Article 429 bis(1) CRR)	-	-
EU-22m	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	Tier 1 capital	1,803	1,585
24	Leverage ratio total exposure measure	23,174	14,790
Leverage ratio			
25	Leverage ratio (%)	7.78%	10.71%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	7.78%	10.71%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	7.78%	10.71%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional Own Funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	Of which made up of capital CET1	-	-
27	Required leverage buffer (%)	-	-
EU-27a	Overall leverage ratio requirements (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional provision	Transitional provision
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	24	179
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions)	23,150	14,611
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	23,150	14,611
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.79%	10.85%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.79%	10.85%

Table 28- Template EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFT and exempted exposures)

		CRR leverage ratio exposures	
		31.12.2025	
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which	21,459	
EU-2	Trading portfolio exposures	5	
EU-3	banking portfolio exposures, of which	21,454	
EU-4	Covered bonds	-	
EU-5	Exposures treated as sovereigns	5,067	
EU-6	Exposures to Regional Governments, multilateral development Banks, international organisations, and public sector entities not treated as sovereigns	215	
EU-7	Institutions	1,405	
EU-8	Secured by mortgages of immovable properties	527	
EU-9	Retail exposures	3,009	
EU-10	Corporate	5,814	
EU-11	Exposures in default	2,526	
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	2,891	

5. Liquidity Risk

5.1. Liquidity requirements

5.1.1. Liquidity risk management strategies and processes

The liquidity risk refers to the possibility that the Group fails to service its debt obligations due to the inability to raise funds or sell enough assets on the market to address liquidity needs. The liquidity risk also refers to the inability to secure new adequate financial resources, in terms of amount and cost, to meet its operating needs and opportunities, hence forcing the Group to either slow down or stop its operations, or incur excessive funding costs in order to service its obligations, significantly affecting its profitability.

The purpose of short-term liquidity risk management is to manage events that impact the Group's operating liquidity position with the primary objective of maintaining the Group's ability to meet ordinary and extraordinary payment commitments while minimising costs.

The management of structural liquidity, i.e. the events that impact on the Group's liquidity position in the time horizon beyond one year, has the primary objective of maintaining an adequate ratio between medium/long-term liabilities and assets, avoiding pressure on current and prospective sources of short-term liquidity, while optimising the cost of funding.

The management of the mentioned risks is carried out at an integrated level for all companies included in the scope.

The governance structure of liquidity risk is based on the clear separation between risk management and risk control functions, achieved through the assignment of clearly defined roles and responsibilities to the various corporate bodies and functions involved, as well as through the adoption of a dedicated monitoring and limit system.

The Banca Ifis Group's liquidity and funding risk management model has the following objectives:

- enable the Group to be solvent both in the normal course of business and in stressed conditions;
- ensure the financial balance of the structure by maturity over the medium and long term, in order to avoid pressure on current and prospective short-term sources;
- implement the indications of the Supervisory Authority, taking into account their own operational specificities;

At 31 December 2025, financial sources mainly consisted of equity, online funding (mainly Rendimax and illimitybank.com products), consisting of on-demand and time deposits, medium/long-term bonds issued as part of the EMTN programme, medium/long-term securitisation transactions, as well as funding from corporate customers. Funding in the form of repurchase agreements (REPO), entered into with leading banks, continued to be a significant source of funding in 2025. Lastly, with regard to funding from the Eurosystem, typically realised through LTRO and MRO operations, the Parent Company participates in weekly auctions on an ongoing basis (at 31 December 2025, there was an MRO operation for 500 million Euro, with maturity 07 January 2026 and one for 260 million USD with maturity 08 January 2026).

The Group's activities consist of factoring operations, which focus mainly on trade receivables and receivables due from Italy's public administration maturing within the year, and medium/long-term receivables deriving mainly from Leasing, Corporate banking, Structured Finance and Workout, Restructuring & Recovery operations; security portfolio management, mainly comprising eligible and readily liquid Italian government securities are also important.

As for the Group's operations concerning the Npl Segment and the purchases of tax receivables arising from insolvency proceedings, the characteristics of the business model imply a significant level of variability concerning both the amount collected and the date of actual collection. Therefore, the timely and careful

management of cash flows is particularly important. To ensure expected cash flows are correctly assessed, also with a view to correctly pricing the transactions undertaken, the Group carefully monitors the trend in collections compared to expected flows. The Group is constantly striving to improve the state of its financial resources, in terms of both size and cost, of the structural balance between assets and liabilities in terms of duration, so as to have liquidity reserves adequate for current and future business volumes.

The amount of high-quality liquidity reserves (mainly held by the Group in its account with the Bank of Italy and government bonds forming part of the intra-day reserve) makes it possible to meet regulatory requirements (with respect to the limits of LCR and NSFR) and internal requirements relating to prudent management of liquidity risk both with reference to the short-term (operational liquidity) and medium-long term (structural liquidity) horizon.

The corporate functions of the Parent Company responsible for ensuring the correct application of the liquidity policy refer to the Capital Markets Area, in relation to the direct and centralised management of liquidity, and to the Risk Management function, which contributes to the definition of policies, processes and instruments for the identification, assessment, monitoring, mitigation and reporting of the Group with regard to liquidity risk. Risk Management also checks compliance with the limits imposed on the various company functions and proposes risk mitigation initiatives to the Board of Directors and the CEO. The Risk Management function is also responsible for proposing the risk appetite, selecting the most appropriate risk indicators and monitoring them with reference to pre-set limits, as well as supporting Top Management; and the Top Management, which every year, aided by Capital Markets, shall make proposals to the Board of Directors regarding policies on funding and the management of liquidity risk, as well as suggest appropriate actions during the year in order to ensure that operations are conducted consistently with the risk policies approved.

The Risk Management function periodically reports to the Bank's Board of Directors on the liquidity risk position by means of a Dashboard prepared for the Bank's management.

As part of the continuous process to update procedures and policies concerning liquidity risk, and taking into account the changes in the relevant prudential regulations, the Parent uses an internal liquidity risk governance, monitoring, and management framework at the Group level.

5.1.2. Scope of application and liquidity risk reporting and measurement systems

In terms of the scope and measurement of liquidity risk, the Group guarantees an adequate and balanced level of liquidity, such as to ensure the constant availability of sufficient funds to meet daily payment commitments (intraday liquidity) and in the short and long term, as briefly described below. Management of the Group's intraday liquidity is the responsibility of Capital Markets, which at the same time carries out first-level control activities, ensuring that operational actions are taken to ensure that the outflows planned during the day are adequately monitored and that there is sufficient liquidity to execute them. In addition, the measurement of intraday liquidity reserve levels, understood as assets that can be readily repaid or sold even under stressed conditions, is performed daily by Risk Management through counterbalancing capacity. Risk Management carries out a daily review of the cash inflows and outflows, both certain and expected - and of the resulting imbalances or surpluses - in the various maturity bands that make up the Maturity Ladder. The granularity of the maturities taken into consideration and set within the operating Maturity Ladder adopted by the Group is consistent with the operating characteristics of the business and, therefore, with the duration of the company's assets and liabilities (in relation to the short-term horizon that characterises operating liquidity). As part of the measurement of operating liquidity, the objective is to ensure the adequacy and balance of incoming and outgoing cash flows with certain or estimated maturities within a 12-month time horizon. Risk Management measures structural liquidity in order to ensure the balance and stability of the liquidity profile over the time horizon of more than 12 months and the link with short-term liquidity management. In particular, the measurement of structural liquidity has the primary objective of guaranteeing the maintenance of an adequate ratio between medium/long-term liabilities and assets, avoiding pressure on current and prospective sources of short-term liquidity and simultaneously optimising the cost of funding. As part of its liquidity risk measurement systems, the Bank uses an articulated set of quantitative metrics. In particular, in addition to the

short- and long-term regulatory liquidity indicators (LCR and NSFR) and the Additional Liquidity Monitoring Metrics (ALMM), Risk Management defines a set of risk indicators capable of promptly reporting the onset of vulnerabilities in the Group's liquidity and defines the related system of limits (operational with reference to the strategic indicators defined in the RAF and management limits for other types of indicators) which entails the activation of specific escalation processes depending on the seriousness of the situation detected. The overall system of limits is reviewed at least once a year and more frequently if there are specific requirements arising, for example, from changes in the Group's structure and/or business model, changes in the strategic plan and budgets, prudential regulations or risk measurement methods. In accordance with current prudential regulations, the Group performs an annual assessment of the adequacy of the internal liquidity adequacy assessment process (ILAAP), providing information to the Supervisory Authority in accordance with the procedures and timeframes set out in the relevant regulations. The liquidity risk governance and management system represents a structured organisational set-up, aimed at supporting the definition of strategies and operational management, both in current and prospective perspective, of the Banca Ifis Group. Through the ILAAP process, conducted on a consolidated basis, the Parent Company's corporate bodies, within the scope of their respective responsibilities, have at their disposal the information and tools necessary for the development of liquidity and funding strategies and the implementation of prudent and effective liquidity management, ensuring the maintenance of a risk profile consistent with the objectives defined in the Risk Appetite Framework (RAF).

5.1.3. Liquidity risk management function organisational structure

Within Parent Company Risk Management, an organisational unit directly subordinate to the CRO, operates the Financial Risk Organisational Unit, which contributes to the definition of liquidity risk management policies and processes, verifies compliance with the limits imposed on the various corporate functions and proposes risk mitigation initiatives. In this area, in particular:

- it oversees the measurement systems and assesses the liquidity risk to which the bank is exposed. In this context, it is called upon to provide assessments of the strengths and weaknesses and the degree of prudence of the model parameters used to estimate expected cash flows¹⁰;
- it contributes to the definition and implementation of stress tests;
- it proposes and monitors compliance with operational limits on liquidity risk-taking;
- it contributes¹¹ to the development and evaluates the internal transfer pricing system of funds;
- it prepares and updates reports for corporate bodies outlining the liquidity risk exposure¹², also determined on the basis of stress tests;
- it periodically checks the quality of the data used in the risk measurement methodology;
- it assesses the adequacy of liquidity buffers and independently verifies the pricing of the component assets and, where different from regulatory requirements, the appropriateness of the haircuts applied.

It also ensures that stress tests are complete. To this end, it checks that they are:

- extended to the entire group and to the individual centres of liquidity provision and utilisation;
- carried out at appropriate intervals (at least quarterly);
- plausible, so as to take into account the cash flow structure of the banking group companies and their sources of risk.

¹⁰ The internal evaluation of the measurement system must be carried out by persons qualified and independent of those developing the system itself, although it is permissible for these two functions to be located within the same unit. In particular, the development part of some metrics is entrusted to "Credit Risk".

¹¹ In this context, it provides support to Capital Markets in defining and reviewing the overall internal transfer pricing system for funds

¹² In this context, it prepares weekly reports on liquidity risk exposure for subsequent submission to the Bank of Italy

It constantly liaises with treasury to monitor liquidity risk, which, based on the assessment of indicators (early warning indicators) and compliance with operational limits, is instrumental in the timely activation of contingency plans. Therefore, it verifies compliance with the limits on a daily basis and activates, after discussion with the hierarchical superiors and through the CRO, the reporting procedures vis-à-vis the competent corporate bodies in the event of the limits being exceeded.

5.1.4. Infra-group liquidity management

Funding management is carried out by Banca IFIS at an integrated level for all subsidiaries. In particular, Banca IFIS provides for the collection of financial sources, which it then transfers, according to specific needs, to its subsidiaries, while the Subsidiaries, in order to facilitate the Parent Company's actions, regularly send the necessary data and information to the CFO and Risk Management.

With regard to Credifarma, however, it should be noted that a significant portion of its assets is financed through the securitisation of loans granted to its customers (EMMA securitisation).

As far as the illimity Bank perimeter was concerned, at 31 December 2025, the possibility of access to the interbank market was still retained, as was the ability to proceed with autonomous funding initiatives. These initiatives, always coordinated with the parent company, were aimed at finding the sources of financing necessary for normal operations. This modus operandi is expected to continue until the merger with Banca Ifis SpA.

5.1.5. Emergency financing plans

In compliance with supervisory provisions, the Bank also has a Contingency Funding Plan aimed at protecting the banking Group from losses or threats arising from a potential liquidity crisis and guaranteeing business continuity even in the midst of a serious emergency arising from its own internal organisation and/or the market situation.

Liquidity crises can be traced to two main types:

- systemic liquidity crises, which consist of sudden instability in money and capital markets;
- specific liquidity crises, which manifest themselves through acute liquidity tensions at Group level.

This articulation constitutes the reference criterion for the classification of the set of Early Warning indicators, which are monitored on a daily basis.

The indicators (systemic and specific) are organised into three groups, defining specific attention thresholds for each indicator, the breach of which by even one indicator leads to the breach of the entire group. The number of breach groups makes it possible to identify different levels of severity of the liquidity crisis situation:

- Alert Status, activated when two sets of indicators are breached;
- State of Crisis, activated when three groups of indicators are breached.

Contingency Funding Plan courses of action may be either to generate cash reserves or to hold back outflows. The above lines of action can be activated depending on the nature (systemic or specific) and status (alert or crisis). Interventions are primarily focused on increasing available liquidity reserves, both through actions aimed at rapidly increasing available funding (e.g. interventions on direct funding) and reducing, where possible, the future amount of disbursements.

The CFP applies to the entire Group and all related activities are carried out by the Parent Company structures, bearing in mind that the management of any financial needs/availability is developed in coordination with the Parent Company Treasury.

More detailed information of a quantitative nature is provided in section E of the notes to the consolidated financial statements of the Banca Ifis Banking Group.

The available, readily usable liquidity reserves, also following such adjustments, remained plentiful in respect of the Group's obligations, constantly noting, for the regulatory indicators LCR and NSFR, values significantly higher than the thresholds required. Also in terms of survival period, which considers the onset of a severe combined stress scenario, values were recorded that are in line with the defined risk appetite.

In line with the strategy mentioned in terms of risk management and appetite, despite the uncertain international geopolitical scenario that has seen the addition of tensions in the Middle East to the ongoing effects of the Russia-Ukraine conflict, no significant violations of the internally assigned risk thresholds were detected during 2025.

5.1.6. Liquidity risk stress tests

The Group's liquidity position is monitored on a daily basis under both normal course of business and stressed conditions. The framework used envisages the simulation of temporary and therefore short-term stresses impacting on operating liquidity. The simulation horizon measured in the various scenarios is therefore one year. With regard to structural liquidity, the purpose of which is to check the medium/long-term financial balance, the stress scenarios to be used are defined within the related strategic planning processes.

Stress tests that focus on liquidity consider systemic (macroeconomic) scenarios, specific (idiosyncratic) scenarios and combined scenarios, which simultaneously integrate both stress components.

The stress tests carried out are conducted at Group level and not at individual company level since, as previously mentioned, the Banca Ifis Group's liquidity management model is centralised at Group level.

The results of the stress tests are made available to the Corporate Bodies and Functions on a monthly basis, in particular to:

- Board of Directors, as part of monthly reporting;
- ALM and Liquidity Technical Committee.

The Finance Committee is updated as often as it is convened (currently quarterly).

Stress testing analyses provide information against which operational actions may possibly be taken to:

- plan/anticipate collection operations to offset potential expected outflows;
- intervene on the liquidity profile of the assets and/or on the overall composition of the balance sheet.

In general, the outcomes resulting from the application of stress tests are used to verify:

- whether the Group holds sufficient reserves to overcome the stresses being simulated (survival period in line with the defined risk appetite level);
- the potential funding requirements in the event of a crisis;
- the robustness of the recalibration of the defined limits under assumptions of normal course of business;
- the consistency of the strategic plan with the level of risk appetite and the limits in force;
- potential vulnerabilities so that the necessary corrective actions can be taken.

In addition, evidence from stress test scenarios is used in both strategic liquidity planning and in setting operational and RAF limits.

The roles and responsibilities as well as the methods for the application of stress tests and the frequency for the production and reporting to the corporate bodies and functions of the evidence deriving from the stress tests are formalised within the internal regulations that govern the internal framework for the governance and management of liquidity risk.

5.1.7. Liquidity coverage ratio

The Liquidity Coverage Ratio (LCR) is the short-term liquidity indicator and corresponds to the ratio of the amount of High Quality Liquidity Assets to total net cash outflows over the next 30 calendar days. Total net cash outflows represent total expected cash outflows net of total expected cash inflows over the next 30 calendar days and that total cash inflows are capped at 75% of total expected cash outflows.

As of 2018, consistent with Article 460(2) of the CRR, the indicator is subject to a minimum regulatory requirement of 100%. In 2025, the indicator remained well above regulatory limits due to both a high level of HQLA and, above all, a typically very low level of net outflows. This dynamic was also confirmed after the completion of the acquisition of illimity Bank.

5.1.8. Net Stable Funding Ratio

The Net Stable Funding Ratio (NSFR) represents the indicator of structural liquidity and is designed to ensure that the institution has a sufficient amount of stable funding in relation to the composition of assets and off-balance sheet exposures over a time horizon of more than one year. The indicator is calculated as the ratio of Available Stable Funding (ASF) to Required Stable Funding (RSF), determined by applying specific weighting factors to the various on-balance sheet and off-balance sheet items, according to their degree of stability and liquidity.

As of 2021, pursuant to Article 428-ter of the CRR, the NSFR is subject to a minimum regulatory requirement of 100%. During the year 2025, the indicator remained steadily above the regulatory threshold, reflecting an appropriately balanced funding structure consistent with the Group's asset profile. This dynamic was also confirmed after the completion of the acquisition of illimity Bank.

5.1.9. Quantitative information

Table 29 – Template EU LIQ1: Quantitative information of LCR

EU 1a	Quarter ending on	Total unweighted value (average)				Total weighted value (average)			
		31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2025	30.09.2025	30.06.2025	31.03.2025
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total High-Quality Liquid Assets (HQLA)					1,601	909	1,002	1,271
2	Retail deposits and deposits from small business customers, of which	6,634	4,590	4,705	4,828	198	84	85	86
3	Stable deposits	292	133	136	140	15	7	7	7
4	Less stable deposits	1,197	764	771	775	149	78	78	79
5	Unsecured wholesale funding	665	392	395	366	397	226	231	196
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	636	392	395	339	368	226	231	169
8	Unsecured debt	29	-	-	27	29	-	-	27
9	Secured wholesale funding					48	64	19	27
10	Additional requirements	293	87	85	85	49	19	21	22
11	Outflows related to derivative exposures	0	0	0	0	0	0	0	0

		Total unweighted value (average)				Total weighted value (average)			
		31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2025	30.09.2025	30.06.2025	31.03.2025
EU 1a	Quarter ending on								
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
	and other collateral requirements								
12	Outflows related to loss of funding on debt products	2	2	2	2	2	2	2	2
13	Credit and liquidity facilities	290	85	83	83	47	17	20	20
14	Other contractual funding obligations	173	157	131	108	173	157	131	108
15	Other contingent funding obligations	600	-	-	-	60	(0)	-	-
16	TOTAL CASH OUTFLOWS					925	550	487	438
17	Secured lending (e.g. reverse repos)	36	17	17	17	6	12	12	12
18	Inflows from fully performing exposures	1,406	1,254	1,238	1,184	1,001	874	865	799
19	Other cash inflows	212	164	169	162	91	49	53	54
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	1,654	1,435	1,423	1,363	1,098	935	929	865
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Inflows subject to 75% cap	1,654	1,435	1,423	1,363	1,098	935	929	865
EU-21	LIQUIDITY BUFFER					1,601	909	1,002	1,271
22	TOTAL NET CASH OUTFLOWS					242	68	122	109
23	LIQUIDITY COVERAGE RATIO					662%	1,340%	823%	1,161%

The Group's liquidity position, supported by adequate high quality liquid assets (HQLA) and the significant contribution of stable funding from customers, remained within the risk limits of the current Group Liquidity Policy for the financial year 2025. Both the LCR and NSFR regulatory indicators are above the minimum regulatory requirements.

Over the past 12 months, the Banca Ifis Group's Liquidity Coverage Ratio (LCR), measured in accordance with Delegated Regulation (EU) no. 2015/61, averaged 662.29% (1,408.11% at December 2024); this year also saw the widening of the consolidation perimeter resulting from the entry of the illimity Group.

Analysing the performance of the indicator over the year, the numerator showed a stable HQLA liquidity buffer with an average amount of 1,601 million Euro, consisting of central bank reserves (18%) and government bonds (82%).

The denominator, on the other hand, in line with EU Regulation 2015/61, is calculated as the difference between outflows and 75% of outflows (and not inflows, as these are less than 75% of outflows); in this context, there were higher outflows resulting mainly from the closing of different repo transactions and movements related to the consolidation of the illimity group.

Table 30– Template EU LIQ2: Net Stable Funding Ratio

(in currency amount)		Unweighted value by residual maturity				Weighted value
		b	< 6 months	6 months to < 1 yr	≥ 1 yr	
Available Stable Funding (ASF) items						
1	Capital items and instruments	2,064	200	-	126	2,189
2	Own funds	2,064	200	-	126	2,189
3	Other capital instruments		-	-	-	-
4	Retail deposits		4,052	1,360	3,069	7,972
5	Stable deposits		655	-	1	624
6	Less stable deposits		3,397	1,360	3,067	7,348
7	Wholesale funding:		4,507	978	4,382	5,309
8	Operational deposits		-	-	-	-
9	Other wholesale funding		4,507	978	4,382	5,309
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	21	253	53	190	216
12	NSFR derivatives liabilities	21				
13	All other liabilities and capital instruments not included in the above categories		253	53	190	216
14	Total available stable funding (ASF)					15,687
Required Stable Funding (RSF) items						
15	Total High-Quality Liquid Assets (HQLA)					615
EU-15a	Assets encumbered for more than 12m in cover pool		2	-	-	1
16	Deposits held with other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		4,217	887	7,213	7,670
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customers secured by other assets and loans and advances to financial institutions		527	22	388	452
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which		776	566	4,558	4,774
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		160	91	781	799
22	Performing residential mortgages, of which		2	2	85	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2	2	67	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		2,912	297	2,182	2,444
25	Interdependent assets		-	-	-	-
26	Other assets:	-	1,089	208	3,713	4,765
27	Physically traded commodities					-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	-	-
29	NSFR derivative assets		57			57
30	NSFR derivative liabilities before deduction of variation margin posted		26			1
31	All other assets not included in the above categories		1,007	208	3,713	4,707
32	Off-balance sheet items		248	26	1,441	227
33	Total RSF					13,279
34	Net Stable Funding Ratio (%)					118.13%

Template EU LIQ2 sets out the quantitative information inherent in the Group's net stable funding ratio (NSFR). The indicator stands at a level of 118,13%, above the regulatory limit of 100% (as per art. 428 ter paragraph 2 of the CRR). Although the indicator signals a sufficiently capacious level of highly liquid assets, the indicator is highly concentrated on Level 1 assets issued by Sovereigns.

6. Credit risk

6.1. Exposure to credit risk

6.1.1. Business model and assumption of credit risk

Within the Banca Ifis Group, the corporate bodies of Banca Ifis and the banks and other financial subsidiaries play a key role in managing and controlling credit risk, ensuring an appropriate supervision of credit risk within the scope of their responsibilities by identifying strategic guidelines as well as risk management and control policies, assessing their efficiency and effectiveness over time, and defining the duties and responsibilities of the corporate functions involved in the relevant processes.

Under the current organisational structure, specific central areas are involved in credit risk management and governance, ensuring, with the appropriate level of segregation, the performance of management operations as well as first and second line of defence controls by adopting adequate processes and IT applications.

Overall, despite some differences deriving from the various products/portfolios, the lending process follows a shared organisational approach with various operational stages and roles, responsibilities, and controls at different levels.

Specifically, Banca Ifis's organisational structure consists of the following Business Units, dedicated to different activities, centralised in the Co-General Manager Chief Commercial Officer (CCO):

- Commercial & Corporate Banking Underwriting dedicated, both with reference to the initial granting of credit and renewal and review activities, to assessing the creditworthiness of the counterparties as well as the risk inherent in the transactions and approving credit facilities in compliance with the powers assigned to it by the Board of Directors and formalised in the Group's System of Delegated Authorities for the assumption of credit risk;
- Commercial Banking, dedicated to the promotion of financing services to domestic and foreign companies and to the care of the correct relationship with the counterparties developed directly or indirectly, as well as the debtors (domestic or foreign) acquired as part of the operations carried out;
- Corporate & Investment Banking, dedicated to Structured Finance transactions or investments in performing non-financial companies and intermediaries;
- Pharmacies, directly manages existing portfolio relationships with domestic pharmacy counterparties in close cooperation with the organisational units of the subsidiary Banca Credifarma;
- Insurance, dedicated to the insurance products offered to its customers;
- Leasing & Rental, dedicated to offering and managing leasing and renting products;
- Marketing & Business Strategy, supporting the business units reporting to the Co-General Manager Chief Commercial Officer;
- Tax Credit & Distressed Financing, dedicated to the following activities:
 - the purchase of tax credits from companies in insolvency proceedings, in voluntary liquidation and from performing companies;
 - affording financial support to companies, not already customers of the Banca Ifis Group, that are in a state of temporary financial strain but with prospects of continuity;
 - Individuals, dedicated to the development of products, services and business opportunities related to transactional and funding banking services in relation to the Private customer segment;

- Anti-Fraud, dedicated to overseeing the transversal coordination of the Group structures that manage the offer of products to customers with respect to the execution of controls on the prevention and assessment of fraud attempts and the implementation of response actions.

Finally, at the reporting date the lending process include the operations of the following subsidiaries:

- Ifis Npl Investing S.p.A., company dedicated to the acquisition and transfer of non-performing loans (Npls), mainly originated by financial institutions and banks;
- Ifis Npl Servicing S.p.A., company specialising in the management of Npls and servicing and recovery activities on behalf of third parties;
- Cap.Ital.Fin. S.p.A., which provides salary- or pension-backed loans (CQS/CQP), payment delegation (DP) as well as salary or pension deductions and distributes financial products such as mortgages and personal loans;
- Banca Credifarma S.p.A., a banking operator mainly targeting the pharmacy and healthcare sectors and operating in the business of granting advances, medium- and long-term loans and financial services to pharmacies;
- Ifis Finance Sp. z o.o. and Ifis Finance I.F.N. S.A., factoring companies operating in Poland and Romania respectively;
- Ifis Rental Services S.r.l., an unregulated entity specialising in operating leases;
- illimity Bank S.p.A. and the other companies included in the so-called "illimity Group" (subject to acquisition by Banca Ifis on 4 July 2025), which make available to companies:
 - a Corporate Banking offering, through Structured Finance, Turnaround & Credit Opportunities, and Factoring services.
 - services in Investment Banking, from Capital Markets operations to Securitisation;
- Euclideia SIM S.p.A.¹³ (company acquired by Banca Ifis on 21 November 2025), an independent securities brokerage firm offering analysis and portfolio management services.

Each organisational unit develops and manages business relationships and opportunities in its respective segment by working together with the branches located throughout Italy, in accordance with the strategic guidelines and objectives set by the Board of Directors.

As for the lending process, each business unit identifies the opportunities for new transactions in accordance with the lending policies in force and the defined risk appetite; in this context, it examines loan applications and formalises a proposal to be submitted to the competent decision-making bodies, ensuring lending policies and controls are implemented correctly and analysing the applicant's creditworthiness in accordance with existing internal regulations.

The proposals to grant lines of credit and/or purchase receivables are submitted to the competent decision-making bodies, which, based on the powers delegated to them, express their decision - which always refers to the overall exposure towards the counterparty (or any related groups).

Banca Ifis's branches have no independent decision-making power for the purposes of assuming credit risk; Branches manage ordinary operations with customers under the constant monitoring of the central structures in accordance with the limits and procedures established by the Head Office's competent bodies.

In carrying out their operations, the subsidiaries can independently take certain decisions within the operational and organisational limits defined by the Parent Company Banca Ifis.

The line of credit is then finalised: the Bank finalises the agreement, obtains guarantees, if any, and grants the credit line. Throughout these stages, the business units are aided by specific supporting units responsible for

¹³ Euclideia SIM S.p.A. was renamed Fürstenberg SIM S.p.A. with effect from 26 January 2026.

preparing the agreement in accordance with the terms of the approval as well ensuring all activities leading to the granting of the credit facility are properly carried out.

The operational management of receivables, carried out for performing customers, mainly consists in the ordinary management and monitoring conducted by dedicated structures at each of the Group's companies with the aim of constantly and pro-actively reviewing borrowers. In addition, a specific organisational unit within the Parent Company performs monitoring activities at the Group level to identify counterparties with performance issues, so as to anticipate problems and provide adequate reporting to the competent corporate functions.

If the credit position is in an objective situation of distress, it is transferred to specific functions specialised in managing and recovering non-performing exposures.

With reference to the process for the acquisition of non-performing loan portfolios (POCI) adopted by the structures of the Npl Segment, similar organisational stages are envisaged as for ordinary credit, which can be summarised as follows:

- origination: the Bank identifies the counterparties from which it plans to purchase the portfolios and assesses the economic expediency of said transactions;
- due diligence, as part of which highly-skilled analysts assess the quality of the portfolio being transferred and the relevant organisational impact. Once the due diligence is completed, the terms and conditions are set for offering/acquiring the receivables portfolio and how to manage it (individual or collective method), assessing the relevant impact on operating structures;
- Approval: this stage includes the preparation of the file, the decision-making process, and the implementation of the approval by the competent decision-making body;
- finalisation: the parties prepare and finalise the purchase agreement, and the relevant consideration is paid.

Purchases are made directly by originators and/or SPVs (primary market) or, in some circumstances, by operators who have purchased on the primary market and who intend to dispose of their investment for various reasons (secondary market). Receivables - deriving from traditional consumer credit operations, credit cards and special purpose loans - are mainly unsecured; there are also current account balances in the event of transfers by banks.

Right after the acquisition, pending the completion of information retrieval operations to help decide the most appropriate debt recovery method, the receivable is classified in a so-called "staging" area and measured at cost with no contribution to profit or loss.

After this phase, which normally lasts 6-12 months, the positions are directed towards the form of management most appropriate to their characteristics (non-judicial and judicial operations), which carries out an activity closely related to the transformation into paying positions and the collection of receivables.

The operational management of debt collection arising from the purchase of non-performing loans is handled both by internal resources within some subsidiaries of the Banca Ifis Group (including Ifis Npl Investing and Ifis Npl Servicing) and by a widespread and proven network of collection agencies and financial agents operating throughout the country.

The non-judicial operations consist mainly in the activation of the credit through the debtor's subscription of bills of exchange or voluntary settlement plans; the judicial operations consist, instead, in the transformation through legal action aimed at obtaining from the court the garnishment order of one-fifth of the pension or salary (the existence of which is the necessary prerequisite for the start of this form of transformation) or the sale on the market of the asset to guarantee the credit (secured management). Specific information regarding these operations is provided below.

Finally, there is also an assessment of the expediency of selling non-performing loan (Npl) portfolios, mainly represented by processing codes, statute-barred loans or loans owned by deceased debtors, to be submitted

for approval to the competent decision-making bodies, consistently with the established profitability targets and after analysing the relevant accounting, reporting, legal, and operational impacts. To do so, it relies on the in-depth inquiries conducted by the Parent Company's competent business functions within their area of expertise.

Exposure to Sovereign credit risk

The securities portfolio in the banking book has a total value of 4.7 billion Euro and consists primarily of government financial instruments of 4 billion Euro.

In 2025, the Group increased its exposure to sovereign risk for investments in government securities, extending the average maturity of the portfolio.

It should be noted that, in addition to the management strategies adopted for the purposes of risk containment, the component of government bonds classified in HTCS and therefore whose changes in market value may determine potential impacts on the capital is equal to 30% of the total government bonds in the portfolio.

With respect to total assets, the portion of liquidity invested in government securities is approximately 18% at the end of 2025.

6.1.2. Credit risk management strategies and processes

Credit risk is constantly monitored by means of procedures and instruments that can rapidly identify particular anomalies.

Over time, the Banca Ifis Group has implemented instruments and procedures allowing to specifically evaluate and monitor risks for each type of customer and product.

If the applicant passes the evaluation process and is granted a credit facility, the Group starts monitoring the credit risk on an ongoing basis, ensuring repayments are made on time and the relationship remains regular, reviewing the information that the Italian banking system reports to the Central Credit Register or select databases as well as the reputational profile, and examining the underlying causes for each one of these aspects.

Concerning portfolio monitoring operations, as previously mentioned, receivables due from customers are monitored by specific units within the mentioned business units that are responsible for constantly and proactively reviewing borrowers (first line of defence); this is complemented by additional second-level control activities, carried out centrally by the Parent Company's Risk Management, with the aim of identifying anomalous situations that need to be brought to the attention of the relevant structures. The controls are both large-scale, based on the use of trend analysis models, and specific on individual positions identified through sampling criteria guided by management risk indicators.

Credit risk exposures to companies are assigned a rating based on models developed in-house. These models are differentiated by segment to ensure that appropriate models are applied on homogeneous population from the point of view of characteristics and risk level. There are therefore models for corporations, differentiated by two size clusters, and a model for partnerships and sole proprietorships. The rating models are composed of different modules that investigate different areas of information depending on the type of counterparty and are integrated with qualitative information of different nature.

The rating class represents a fundamental driver for the calculation of write-downs on performing loans; in addition to directly linking the expected loss to the specific risk level of the individual counterparty, rating models enable the activation of the quantitative stage allocation criterion, which, by comparing the riskiness at the time of granting and the current riskiness, makes it possible to assess the significant increase in risk and thus the Stage 2 allocation of the position. The framework for determining expected loss also includes satellite models functional to the introduction of forward-looking elements into the estimates of risk parameters in full compliance with the requirements of IFRS 9.

Risk Management plays a crucial role as part of the second line of defence in measuring and monitoring operations.

Concerning credit risks, the Risk Management function:

- oversees, monitors and assesses credit risks, carrying out audits and analysis in accordance with the relevant guidelines; specifically, it:
- assesses credit quality, ensuring compliance with credit guidelines and strategies by continuously monitoring credit risk indicators;
- constantly monitors exposure to credit risk and compliance with the operating limits assigned to the operating structures in relation to the assumption of credit risk;
- verifies, by means of second-level controls, the correct implementation of performance monitoring on individual exposures, in particular on non-performing exposures, and assesses the consistency of classifications and the adequacy of provisions;
- monitors exposure to concentration risk and the performance of exposures classified as "Large Exposures";
- performs quantitative analyses to support the business units in using risk measures;
- oversees the supervision of the value of collateral as well as personal and financial guarantees;
- analyses consistency with the Group's RAF in the areas of asset quality and credit cost.
- The Banca Ifis Group pays particular attention to the concentration of credit risk with reference to all the Group's companies, both at an individual and consolidated level. The Banca Ifis Board of Directors has mandated the Top Management to take action to contain "Large exposures". In line with the directives of the Board, those positions that are at risk and engage the Group to a considerable extent are subject to systematic monitoring.

Concerning the credit risk associated with investments in securities and equity, the Group constantly monitors their credit quality, and Parent Company Banca Ifis's Board of Directors and Top Management receive regular reports on this matter.

The Risk Management function prepares and submits periodic reports on the development of credit risks assumed by the Group and individual Group companies, with evidence of deviations between actual exposure levels and the set risk targets. In particular, as part of the process of monitoring the trend of risk indicators, the function guarantees an effective system of reporting and notification of the deviations recorded, promptly informing the production areas in the event of approximation to the attention thresholds; in the event of their being reached, it activates the consequent escalation procedures and the necessary realignment measures, duly informing the corporate Bodies, Top Management and Internal Audit for the appropriate assessments. The verification and the quarterly reporting of the company positioning with reference to the identified indicators is integrated in the periodic reporting system for top management (*Tableau de Bord*). Risk Management provides the Group's business structures with periodic supporting reporting. More detail on the magnitudes identified for credit risk management, monitoring and reporting purposes is described in specific internal documentation. In the context of Basel 3 principles for calculating capital requirements against first-pillar credit risks, Banca Ifis chose to adopt the Standardised Approach. To calculate capital requirements for single-name concentration risk, which falls under second-pillar risks, the Group adopts the Granularity Adjustment method as per Annex B, Title III of Circular No. 285 of 17 December 2013, with a capital add-on calculated using the ABI method to measure geo-segmental concentration risk.

In order to assess its vulnerabilities in terms of capital and liquidity management, the Parent Company Banca Ifis has developed quantitative and qualitative techniques with which it assesses its exposure to exceptional but plausible events. These analyses, known as stress tests, measure the impact in terms of risk deriving from

a combination of changes in economic-financial variables under adverse scenarios on the Bank and its subsidiaries. These analyses significantly concern credit risk.

In order to assess its vulnerabilities in terms of capital and liquidity management, the Parent Company Banca Ifis has developed quantitative and qualitative techniques with which it assesses its exposure to exceptional but plausible events. These analyses, known as stress tests, measure the impact in terms of risk deriving from a combination of changes in economic-financial variables under adverse scenarios on the Bank and its subsidiaries. These analyses significantly concern credit risk.

The stress tests allow to assess the Group's resiliency by simulating and estimating the impact of adverse circumstances, providing crucial insights into its exposure to risks, the adequacy of the relevant mitigation and control systems, and its ability to deal with unexpected losses – including in a forward-looking manner and in terms of planning. In order to perform stress tests, the Group has internally developed methodologies that allow, also by exploiting synergies with satellite models used under IFRS 9, to project asset quality in line with adverse macroeconomic scenarios and assess the impact in terms of various credit quality indicators, such as the incidence of impaired credit or the increase in loan adjustments.

For regulatory purposes, the Parent Company Banca Ifis conducts stress tests when defining the Risk Appetite Framework (RAF) and preparing the Recovery Plan as well as the ICAAP and ILAAP report at least on an annual basis, as required by applicable prudential supervisory regulations. In this context, it assesses, among other things, the sustainability of lending strategies under adverse market conditions.

6.1.3. Organisation of the credit risk management and control function

The Credit Risk Organisational Unit operates within Parent Company Risk Management, an organisational unit reporting directly to the CRO, which is entrusted with the management of credit, concentration, transfer, country and residual risks with specific reference to the Parent Company and foreign financial companies, in compliance with the principle of proportionality and where applicable. Within that framework:

- it develops and maintains metrics and models (to be used for management purposes) for measuring credit risks¹⁴;
- it determines internal capital for credit risk, from a current and prospective perspective, under ordinary and stressed market conditions¹⁵;
- it analyses existing portfolios by counterparty administrative status (credit quality) and by product type; in this context, it verifies compliance with strategic (contained in the RAF and RP) and operational (contained in credit policies) limits, and in the event of attention or warning thresholds being exceeded, it takes steps to activate the relevant escalation mechanisms;
- it measures single name and geo-sectoral concentration risk and calculates the related internal capital;
- it promotes the integration of climate and environmental risks (and ESG risks more generally) into the various stages of the credit risk management process;
- it verifies the proper execution of credit performance monitoring, both at portfolio level and on individual exposures, particularly non-performing exposures, assessing the consistency of the assigned risk grade and the adequacy of provisions for non-performing loans;
- it assesses the efficiency of the recovery process of anomalous debts and, where deemed appropriate, provides specific indications on the loss passages to be recorded;

¹⁴ In this respect, with reference to the individual and specific credit portfolios covered by the segmentation, it estimates the relevant risk parameters for the calculation of the generic reserves and the assessment of the adequacy of the specific reserves by integrating forward-looking information using satellite models and forward-looking scenarios, where applicable.

¹⁵ In this context, it defines stress test and reverse stress test scenarios on credit risks and assesses their impacts on the capital buffer

- it prepares reports on the results of credit risk control activities. It also reports its results to the operational functions directly concerned;
- it prepares the *Tableau de Bord* with specific reference to the Parent Company, both on an individual and consolidated basis.

With specific reference to the Italian subsidiaries falling within the banking group perimeter and having a business similar to that of the Parent Company, it develops and maintains metrics and models, for management purposes, for the measurement of credit risks. This is to ensure uniformity of metrics and consistency of measurement methodologies at the banking group level.

In order to perform its role, "Credit Risk" is in turn subdivided into two organisational units, each with a specialised perimeter, namely:

- "Corporate Credit Risk";
- "Leasing Risk".

"Corporate Credit Risk" manages credit risks relating to:

- the portfolio of trade receivables (which includes, *inter alia*, factoring transactions, assignment of trade receivables from local health authorities and PPAAs, etc.) and subsidised loans guaranteed by the MED;
- corporate and structured finance transactions;
- investments in equity, in UCITS units, in ABS of senior tranches of government-guaranteed non-performing loan securitisations (GACS).

Specifically, Corporate Credit Risk:

- monitors, also through analyses of performance data, exposures to Corporate customers, highlighting their specific risk characteristics, also in view of the peculiarities of the various products;
- monitors the credit risk of foreign subsidiaries, providing, *inter alia*, metrics to support stage allocation as well as, more generally, for the calculation, using a lump-sum approach, of general and specific reserves;
- verifies, on a quarterly basis, that the fair value measurements of fund and UCITS units made by the business units are appropriate;
- performs annual impairment tests on the goodwill of subsidiaries and, on a quarterly basis, ascertains the occurrence of so-called trigger events;
- contributes to the performance of the Significant Risk Transfer (SRT), where required by supervisory regulations for securitisation transactions in the role of originator.

"Leasing Risk", on the other hand, manages credit risks relating to:

- the portfolio of capital and transportation finance leases entered into by the Parent Company;
- the portfolio of operating leases put in place by the subsidiary Ifis Rental Services.

Specifically, Leasing Risk:

- analyses portfolios on the basis of risk measures, verifies the proper execution of performance monitoring as well as the adequate implementation of credit risk management strategies, also developing, where necessary, impact analyses on economic and financial aggregates;
- estimates and updates the maximum residual value applicable to the leased property;
- analyses the performance of active distribution channels in terms of credit risk;

- assesses the efficiency of the recovery process of non-performing loans, also through dedicated analyses of the impact on the economic-financial aggregates, and informs the operating units directly involved of its outcome;
- with reference to the transportation segment, it assesses the efficiency of the sale process of leased assets returned following customer default or failure to exercise the redemption option.

The specialised organisational unit within Parent Company Risk Management that oversees sovereign risk, on the other hand, is Financial Risk, which, under this scope:

- calculates the impact of changes in credit spreads on Italian government bonds held in the portfolio;
- defines the management methodology for its monitoring and proposes the strategic and operational limits linked to it, checking daily compliance with them;
- performs stress tests for regulatory documentation (i.e. RAF, ICAAP and Recovery Plan) with the aim of quantifying the impacts on capital reserves in the face of large increases in credit spreads on Italian government bonds;
- prepares and updates reports for corporate bodies in which the relevant exposure is illustrated.

With specific reference to the Italian-registered subsidiaries belonging to the banking group, the Risk Management Subsidiaries is the organisational unit reporting directly to the CRO, which, among others, is entrusted with credit and concentration risk management activities. Within that framework:

- it continuously verifies the adequacy of the risk management process and related operational limits. With particular reference to credit risk, it analyses outstanding portfolios, both under ordinary and stressed market conditions, also calculating specific anomaly indicators. It then verifies the consistency of these magnitudes with the relevant thresholds set in the RAF and/or policies;
- it develops and maintains risk measurement and control systems for subsidiaries with businesses significantly different from those typical of the parent company. In this context, it develops and calculates, on a periodic basis, indicators capable of highlighting situations of specific anomalies;

With specific reference to credit risk and for subsidiaries characterised by a business similar to that of the Parent Company, on the other hand, it coordinates the process of estimating and maintaining the metrics and models developed by the specialised "Credit Risk" unit;

- with regard to the non-performing loan portfolios acquired, it defines and updates:
 - models for the valuation of expected cash flows;
 - process of calculating amortised cost and value adjustments and write-backs;
 - model sheets and technical documentation;

it also ensures the consistency of models and automated processes relating to pricing, purchase price reallocation and judicial and extrajudicial costs with the amortised cost calculation process and with reference to the new cash flow valuation models that are periodically developed.

- it verifies the proper execution of credit performance monitoring, both at portfolio level and on individual exposures, particularly non-performing exposures, assessing the consistency of the assigned risk grade and the adequacy of provisions for non-performing loans; it assesses the efficiency of the recovery process of anomalous debts and, where deemed appropriate, provides specific indications on the loss passages to be recorded;
- it verifies, on a periodic basis, that the recovery forecasts for non-performing loans are consistent with the actual collections recorded, depending on the findings, requires the adoption of additional or alternative safeguards to mitigate the risk of non-recovery;

- it prepares reports on the results of credit risk control activities. It also reports its results to the operational functions directly concerned.

6.1.4. Coordination between internal control functions

Risk Management takes part in formalised moments of coordination between the control units, planned at least quarterly and at least on the occasion of the sharing of the reports periodically transmitted to the corporate bodies (*Tableau de Bord*, Annual Report, Half-Year Report of the Manager charged with preparing the company's financial reports, etc.) and the annual planning of the control units. These meetings are aimed at:

- sharing the planning of the main verification/control activities (in particular with regard to credit risk, the main risk to which the Group - as a whole - is exposed);
- analysing the main results of the interventions carried out, of the remedial actions initiated or requested;
- analysing the development of exposure levels to the various risks (particular emphasis is placed on credit risk);
- sharing reports, methodologies and terminologies;
- as well as, more generally, ensuring a fruitful exchange of information and the examination of possible forms of cooperation.

Notwithstanding the fact that Risk Management may also take steps to convene further meetings should it deem it advisable/ necessary, as a general rule, it will be the responsibility of Internal Audit to promote such meetings.

The Head of Risk Management informs the Managers of the other control units of critical issues detected in their control activities that may be of interest to the activities of each. It is also foreseen the reciprocal transmission, normally for knowledge and in relation to the area of competence, of the results of the individual interventions carried out.

Risk Management sends the results of the analyses conducted to ascertain the level of assumed and assumable risks of both the Parent Company and the Group Companies to the Parent Company's Internal Audit.

6.1.5. Non-performing past due exposures

The Group adopts a business model that has peculiar features compared to most other Italian banking institutions, which largely operate as general banks.

This peculiarity of the business is reflected in the processes and management structures, generating flows and stock dynamics that are reflected in assets and related indicators.

Nonetheless, the Parent Company believes that adopting "systemic" operational and structural ratios, and maintaining its indicators at the highest level of excellence, is a mark of quality and a value to be pursued as a specific goal in order to strengthen its corporate structure as well as improve its internal processes.

Among these, the quality of assets is a top priority that must be expressed both in the ability to provide credit, minimizing the risks of deterioration of exposures, and in the ability to manage non-performing exposures, optimising recovery performance in terms of amount and related timing.

In this sense, the Group's action is oriented in two directions:

- constant efforts to improve not only the processes for selecting and granting loans, but also the processes for managing performing loans, referring, where appropriate, to the commercial and/or

selection policies of individual transactions, in order to contain the generation of non-performing loans in the best possible way;

- proactive management of performing credit that shows signs of difficulty and management of the recovery of impaired credit aimed at maximising value, in compliance with quantitative thresholds consistent with the objectives set.

In managing these aspects, the Group must, however, necessarily take into account the different segments of business and related types of credit, classifying solutions and actions consistent with the specificities of the individual segments, in order to ensure the best result in terms of value protection and speed of solution.

In view of the above, the Group has maintained the following two indicators as performance indicators and explicit objectives to be pursued with careful and proactive management when updating its annual operating plan for the management of Npls, presented to the Bank of Italy in March 2025:

- "Gross Npe ratio", consisting of the ratio of "gross non-performing exposures" to "total receivables due from customers", excluding Npl Segment receivables and Government securities valued at amortised cost;
- "Net Npe ratio", consisting of the ratio of "non-performing exposures net of related adjustments" to "total receivables due from customers", excluding Npl Segment receivables and Government securities valued at amortised cost.

In the second half of 2025, also as a result of the positive outcome of the OPAS on illimity Bank, the Banca Ifis Group revised the way in which the Npe ratio is calculated, excluding, in addition to positions arising from the purchase and management of impaired loans from third-party originators managed by the subsidiaries Ifis Npl Investing and Ifis Npl Servicing, also all the impaired financial assets acquired or originated (POCI), or with them as underlying assets, either for business purposes (e.g. for the relaunching and valorisation of companies in temporary difficulties) or emerging as a result of business combinations.

With a view to better aligning with the aforementioned NPL management operational plan, by year-end 2025, the indicator calculated using the pre-acquisition illimity Bank logic is in line with the forecasts contained therein.

Regardless of the current outlook, the pursuit of the objective of a general limitation in the stock of non-performing loans remains and is expected to take place through a differentiated strategy in relation to the specificity of the individual portfolios concerned (taking into account the type of counterparty and the specificity of the individual products). In general, the action that will be taken is essentially based on the following goals, which it has been pursuing for some time now:

- containment of the default rate in order to reduce the inflow of non-performing positions by extending and strengthening the monitoring of lending aimed at anticipating, and possibly preventing, deterioration of positions;
- improvement of 'performing exposures' recovery rates thanks to the extensive use of the instruments provided for in the renewed Code for Business Crisis and Insolvency;
- leveraging the expertise within the Banca Ifis Group and the virtuous collection processes currently in place to maximise collection rates;
- reducing the stock of non-performing loans through the evaluation of large-scale disposals of older stocks or selective disposals of individual significant positions, as well as through the application of current write-off policies.

Non-performing positions or performing positions that nevertheless present significant critical issues are all managed directly by specific organisational units of the Group.

6.1.6. Credit risk adjustments

Under IFRS 9, the relevant impairment provisions apply to financial assets measured at amortised cost, financial assets at fair value through other comprehensive income that are not equity securities, and loan commitments and guarantees granted that are not measured at fair value through profit or loss.

“Expected Credit Losses” (ECLs) are calculated based on whether the financial instrument's credit risk has significantly increased since initial recognition.

The general impairment model requires allocating the financial instruments within the scope of IFRS 9 to three Stages, which reflect the deterioration in credit quality:

- Stage 1: financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date;
- Stage 2: financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that individually do not have objective evidence of impairment;
- Stage 3: financial assets that have had a significant increase in credit risk since initial recognition with objective evidence of impairment at the reporting date. This coincides with non-performing exposures, i.e. those classified as bad loans, unlikely to pay, or non-performing past due exposures according to the rules of the Bank of Italy.

This section describes the methodological approaches in force with regard to the definition of write-downs on the Banca Ifis Group's performing portfolio. It should be noted that there are some differences in the collective impairment management process between the perimeter of the illimity Group and the rest of the perimeter of the Banca Ifis Group, and this will be disclosed, preferring the full narrative of the Parent Company framework. Activities aimed at convergence in evaluation metrics are planned during the next financial year.

It should be noted preliminarily that, with reference to the measurement of expected losses, during 2025, the process of updating credit risk parameters continued with the aim of more accurately reflecting the expected losses of performing exposures, also in light of the available historical evidence and the persistent uncertainties of the current macroeconomic context.

In particular, with regard to the internally developed models, the estimates of the risk parameters (PD and LGD) have been updated both for the "through the cycle" (TTC) component, by extending the historical series, and for the "point in time" (PIT) and forward-looking (FL) components. In addition, the thresholds of the quantitative stage allocation model were calibrated based on the latest observations.

Regarding the forward-looking component, the macroeconomic scenarios underlying the forward-looking conditioning have been updated, details of which are given later in this section, in order to allow the valuation of credits to be as compliant as possible with the accounting standard. Compared to previous updates, a climate scenario has been introduced that captures the risk of transition in the short term. Scenarios and their weighting are aligned with those of the illimity Group perimeter. The maintenance activities of the IFRS 9 impairment framework had no significant impact either in absolute terms or in terms of the level of portfolio coverage.

The expected loss defined on the basis of the model is eventually supplemented with a series of managerial adjustments (so-called "post-model adjustments" or "overlays") in order to factor in certain valuation elements not adequately captured by the models in use.

Below is an explanation of the framework used by the Group to measure expected losses, including any changes made to the models and criteria applied for calculating expected losses as part of the ongoing model revision process are illustrated below, depending on the type of intervention (SICR valuation, estimation of forward-looking information and other model changes).

According to IFRS 9, all financial assets not measured at fair value through profit or loss and other than the POCI, for which reference is made to the information given previously, represented by debt securities and loans, and off-balance sheet exposures (commitments and guarantees granted) must be subject to the impairment model based on expected losses (ECL - Expected Credit Losses).

The most significant aspects that characterise this approach, concern:

- the classification of loans into three different levels (or "Stages") to which different methods correspond for calculating the losses to be recorded; Stage 1 includes performing positions that have not undergone a significant increase in credit risk otherwise placed in Stage 2; Stage 3 includes all positions classified as non-performing, bad loans, unlikely-to-pay, non-performing past due in accordance with the criteria and rules specifically adopted by the Group;
- the calculation of the expected loss calculated at 12 months for Stage 1 or for the entire useful life of the credit (lifetime) for Stages 2 and 3;
- the requirement to use a Point-in-Time, rather than a Through-the-Cycle, approach for regulatory purposes;
- forecast information regarding the future dynamics of macroeconomic factors (forward looking) considered to have the potential to influence the debtor's situation.

In this context, the Group has adopted a method for determining the "significant" increase in credit risk with respect to the initial recognition date, which involves classifying the instruments in Stages 1 and 2, combining statistical (quantitative) and performance (qualitative) elements, as part of the estimate of impairment of performing loans. Please note that no probation period is applied for the exit of performing positions from Stage 2.

To identify the "significant" increase in credit risk, the Banca Ifis Group applies the following quantitative and qualitative transfer criteria to the loan portfolio according to the type of counterparty defined by segmenting receivables into portfolios:

- the only quantitative transfer criteria is what is termed "PD comparison" for which, in order to identify the "significant increase in credit risk" on exposures within rated portfolios, the Group used an approach backed by quantitative analyses, under which the exposure is allocated to Stage 2 if the change in the one-year PD between the origination and the measurement date exceeds a given threshold. The decision to use a 1-year PD comparison instead of a lifetime approach, also determined in consideration of the solution provided by the impairment engine's outsourcer, is supported by analyses that show a high correlation between the SICR metrics calculated from a lifetime perspective and those calculated from a 1-year perspective. This threshold is assigned on the basis of the origination rating (if available) and the type of product for each relationship and is represented by the change in PD by which the credit risk of the relationship is to be considered significantly increased. Therefore, if the change in PD between origination and the reference date exceeds the threshold associated with the ratio, that ratio is allocated to Stage 2. The identification of the thresholds derives from a statistical approach involving the analysis of the 1-year PD distributions on homogeneous risk clusters in order to optimise the allocation to Stage 2 of counterparties that might show signs of deterioration and the return to Stage 1 of counterparties with a real improvement in internal rating;
- qualitative transfer criteria:
 - "Rebuttable presumption – 30 days past due": IFRS 9 establishes that, regardless of how the entity assesses significant increases in credit risk, there is a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. The entity can rebut this presumption if it has reasonable and supportable information that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due. However, the Ifis Group has not pursued this option;

- Forbearance: according to this criterion, a financial instrument is allocated to Stage 2 when the Group classifies the exposure as forborne;
- "Watchlist": the criterion envisages the transfer to Stage 2 of positions already under examination, as part of the process for defining especially risky positions during credit monitoring;
- "ECB Backstop": the criterion transfers to Stage 2 positions with PD at the "reporting date" that are 200% higher than ("threefold") at the "origination date" or with PD at the "reporting date" that are 20% higher.

The stage allocation criteria described are present in the IFRS 9 framework of the parent company Banca Ifis, and there are differences with the system effective in illimity Bank and the other companies of the illimity Group on 31 December 2025. In particular, the quantitative criterion in the illimity group is based on delta notch and there are no backstop criteria based on ECB standards.

With reference to debt securities, the method used for the allocation of relationships in the various Stages is based, contrary to as set out above for credit exposures, on quantitative drivers (so-called delta notch), on internal assessments carried out by the Risk Management function in agreement with the functions involved, and on a practical rule expressly permitted by IFRS 9 (LCRE - Low Credit Risk Exemption). With regard to the latter, the regulation states that to determine whether a financial instrument is low credit risk, an entity may use its internal credit risk ratings or other methodologies consistent with a globally agreed definition of low credit risk, which take into account the risks and the type of financial instruments being assessed. In particular, an exposure is deemed to have 'low credit risk' if the financial instrument has a low risk of default, i.e., if the borrower has a strong ability to meet its contractual cash flow obligations in the short term and if adverse changes in longer-term economic and business conditions could reduce, but will not necessarily reduce, the borrower's ability to meet its contractual cash flow obligations.

Consistent with the provisions of the standard, in fact, the Banca Ifis Group has decided to adopt the assumption that the credit quality of an investment grade government issue can be assumed not to have significantly deteriorated, even in the presence of information on credit risk measures at the date of origination, thus availing itself of the Low Credit Risk Exemption (LCRE) option. Therefore, only securities with an investment grade rating at the reference date are allocated to Stage 1, while mono-tranches associated with defaulted securities are allocated to Stage 3.

Specifically, the formula used to calculate the impairment of the tranches allocated to Stage 1 and 2 is consistent with the approach adopted for credit exposures. The Stage allocation of performing debt securities requires using an external rating of the issue; the securities are allocated to the different Stages based on specific criteria associated with this type of portfolio. Exposures in debt securities are allocated to Stage 3 if credit risk has deteriorated to the point that the security is considered impaired, i.e. classified as non-performing.

The measurement of expected credit losses (ECL) accounts for cash shortfalls, the probability of default (PD), and the time value of money. Specifically, the Group measures the loss allowance for the financial instrument as:

- expected losses within 12 months for positions that have not suffered a significant deterioration in creditworthiness (Stage 1); in other words, the Group estimates non-payments resulting from possible default events within the following 12 months, weighted by the probability that such events will occur;
- expected "Lifetime" losses for positions that have suffered a significant deterioration in creditworthiness (Stage 2); in this case, the Group estimates the cash shortfalls resulting from default events that are possible over the expected life of the financial instrument, weighted by the probability of that default occurring and discounted at the measurement date.

To ensure its collective impairment calculations are in the closest possible compliance with regulatory requirements, the Group has defined a specific methodological framework subject to backtesting at least

annually as well as to validation by the function in charge of validating internal models. This involved developing quantitative methods and analyses based on proprietary datasets as well as qualitative methods and analyses to essentially model the following risk parameters and the methodological aspects relevant to the calculation of impairment under IFRS 9:

- estimation of the Probability of Default (PD), which expresses the probability of a default event occurring in the credit position over a given time frame. The estimation methodology involves using an appropriate estimator to calculate the Cumulative Default Rate (hereinafter also CDR), i.e. the historically observed probability of a default event occurring within a given time horizon. CDRs are then interpolated using an appropriate functional form;
- estimation of Loss Given Default (LGD), which expresses the estimated loss percentage in the event of default of the credit position. A "workout LGD" approach based on internal data was chosen; therefore, this parameter is defined on the basis of historical recovery evidence observed for each perimeter where possible;
- definition of Stage allocation transfer logic, which includes the recalibration of SICR thresholds;
- calculation of expected losses including point-in-time elements: the credit parameters are calibrated on a horizon that considers the entire economic cycle, therefore, in accordance with IFRS 9, a PIT (point-in-time) adjustment is necessary to reflect the current condition in the parameters;
- calculation of expected losses including forward-looking elements: the credit parameters are calibrated to a horizon that considers the entire economic cycle; therefore, in accordance with IFRS 9, it is necessary to include forward-looking elements to reflect expectations on the future development of the economic cycle.

As far as the illimity Group is concerned, the methodologies developed for the estimation and calibration of the PD parameter are different and differ even within the illimity Group's portfolio (internal ratings, external ratings, 'portfolio' approaches). These differences can be attributed not only to technical aspects related to the articulation of the Group's assets, but also to peculiarities of individual businesses in terms of risk profile and management rules.

Following the acquisition of illimity Bank, activities are underway to converge the collective impairment framework with a view to extending the Group's standards also to the acquired loan portfolio. At 31 December 2025, full alignment was pursued with regard to macroeconomic scenarios and the related weightings used for conditioning risk parameters.

In developing the above methods, the Group has considered multiple solutions, the current and prospective complexity of its portfolio, as well as how to maintain and update risk parameters.

The time series underlying the estimation of risk parameters are updated annually; calibrations involving the forward-looking scenarios are updated at least once a year on the basis of changes in the environment. As far as EAD is concerned, there is no internal modelling, and the value of EAD is equal to the carrying amount adjusted by the application of the credit conversion factor or CCF (Credit Conversion Factor) applied for the entire duration of the exposure.

Concerning the PD of exposures to banks, central governments, and public-sector entities (low default portfolios), the Group used default rates associated with migration matrices based on public information provided by the ratings agency Moody's or external providers.

LGD is estimated on historical proprietary evidence with the exception of a few residual transactions (due to the lack of sufficient objective historical data given the recent business or given the particular type of counterparty - i.e. banks, central governments and territorial entities) for which an industry LGD was used. The cash flows used in estimating LGD are discounted at the Effective Interest Rate (EIR).

In order to determine the risk parameters adopting a forward looking approach, the Group has adopted econometric models (based on the stress test framework - "satellite" models), aimed at forecasting the

evolution of the institute's risk factors (i.e. mainly PD and migrations between statuses for credit risk) on the basis of a joint forecast of the evolution of the economic and financial indicators (macroeconomic scenario). The satellite models used meet the need to identify the existence of a significant relationship between the general economic conditions (i.e. macroeconomic and financial variables) and a proxy variable of the risk factor (target variable) i.e. the credit rating of counterparties (which represents the respectively probability of default as a summary of the PD factor), which in its aggregate form at an institute level is represented by a careful calibration of the deterioration rates recorded by the Bank of Italy.

By exploiting the identified relationship between target variable and macroeconomic factors, it is therefore possible to obtain forecast values of deterioration rates by applying future projections of explanatory variables retrieved from external information providers, also used for institutional information purposes and by the Strategic Planning function under the scope of their activities. In compliance with IFRS 9, the Risk Management function employs macroeconomic scenarios describing three contexts characterised by increasing levels of forecast severity and criticality: a "baseline" scenario, an "adverse" scenario and a "climate" scenario. These scenarios produce three different satellite model forecasts, making weighting necessary: for the current year, it was decided to balance the weights of the baseline, adverse and climate scenarios in view of the uncertainty of the macroeconomic framework, which sees on the one hand, in the geopolitical context, one of the main factors of instability, and on the other, the possible onset of non-negligible risks connected with the evolution of the global economic activity.

The Risk Management function has therefore included the forecasts defined by its satellite models in the structures at the end of the PD lifetime.

The satellite models developed for PD were also applied in a mirror-image manner to the Danger Rate, i.e. the migration between credit states, used in LGD, which in its point-in-time & forward-looking configuration gives a multi-period structure to LGD.

With reference to the inclusion of Forward Looking factors feeding into the IFRS 9 provisioning process, through the use of satellite models, the Risk Management function in 2025 updated the macroeconomic scenarios by procuring them from an external info provider and comparing them with official sources.

The current macroeconomic environment incorporates both cautious optimism about the continuation of economic growth, with signs of lower inflation and an expectation of the monetary policy easing, and the repercussions of the uncertain geopolitical environment, with possible repercussions on global trade and commodity and energy prices. The Group adopts three scenarios to reflect the uncertainty of the macroeconomic environment:

- baseline scenario: represents the main reference for the economic forecast, characterised by a deceleration of global growth in a context of high geopolitical uncertainty. This dynamic is influenced by conflicts in critical areas (Ukraine, Middle East) and trade tensions between the US, EU and China. Despite this, Italy is experiencing moderate GDP growth (0.5% per year on average in 2025-2029), mainly supported by the NRRP and spillovers from European infrastructure and defence plans. The effects of US tariffs (with high tariffs on steel, aluminium, automotive and Chinese/EU products) are partially mitigated by recent bilateral trade agreements. The narrow BTP-Bund spread (stabilised below 90 basis points from 2026) and the reduction of interest expenditure contribute to the consolidation of public accounts. Italian inflation, after a minimum of 1% in 2024, stabilised at around 2% per year (in line with ECB targets), thanks to the control of core components and dynamic wage dynamics (wage growth at 2.7% per year at June 2025). The public accounts show a consolidation trend, despite the deterioration due to the Superbonus tax credits. The main risks remain possible trade wars with the introduction of new tariffs and geopolitical instability (conflicts in Ukraine, the Middle East, hostile air strikes in Europe, with the risk of disruptions in supply chains);
- adverse scenario: this is the severe but plausible scenario according to which the global geopolitical situation is expected to worsen due to the escalation of conflicts and threats of US tariffs with retaliation by the affected countries. Political instability in France further weakens EU action, already

slow in launching the German infrastructure plan and implementing ReArmEurope. The result would therefore be a new increase in uncertainty and a severe blow to trade, which would be significantly reduced compared to the period before the new tariff policies were introduced. The United States, which has been hit the hardest, could enter a recession in the short term. In Italy, the already fragile growth outlined in the base case would be undermined by the increased uncertainty linked to the geopolitical environment. Exports and investments are the hardest hit components, while household spending slows down less. Public debt, in terms of GDP, would increase, also leading to a rise in the spread between Italian and German government bonds.

- climate scenario: this is a 'Net Zero' (transition risk) scenario in which governments adopt very stringent climate policies to limit average global warming to 1.6°C by 2060 and achieve net zero CO₂ emissions by 2050. Policies implemented include globally coordinated carbon taxes and aggressive regulatory measures to accelerate the decarbonisation of the economy. The price increase related to the carbon tax is partly offset by a strong investment impulse and productivity gains related to more efficient technologies in the long run. However, of the climate scenarios, 'Net Zero' is the most severe in terms of economic growth over a short-term horizon, as the benefits of an orderly transition are only realised in the medium/long term.

Financial indicators Year-end (%)	Base case			Adverse scenario			Climate scenario		
	2026	2027	2028	2026	2027	2028	2026	2027	2028
Italian real GDP growth (decline) y/y	0.7%	0.4%	0.5%	0.1%	0.1%	0.2%	0.5%	0.6%	0.3%
Italian unemployment	6.2%	6.1%	5.9%	6.4%	6.6%	6.8%	6.2%	6.4%	6.7%
Euribor 3M	2.0%	2.1%	2.4%	1.7%	1.8%	2.1%	1.9%	2.1%	2.2%
10-year BTP yield	3.6%	3.7%	4.0%	3.7%	3.9%	4.1%	3.7%	4.0%	4.2%
Brent barrel oil price growth (reduction) y/y	(1.9)%	9.8%	8.8%	7.4%	6.2%	5.8%	6.9%	15.9%	12.2%
Italian inflation	1.7%	2.1%	2.0%	2.4%	2.0%	1.8%	2.6%	3.4%	3.0%

With reference to the probability of occurrence of the scenarios, in line with what was done for FY 2024 and with the continued significant uncertainty of the geopolitical and macroeconomic environment, the base case was assigned a 60% probability of occurrence, the adverse scenario was assigned 30% and the climate scenario was assigned 10%. As a matter of prudence, no positive scenarios were considered.

In order to provide information that enables a clear understanding of the elements of judgement used by management and their impact, sensitivity analyses were carried out. The inclusion of forward-looking factors for the measurement of expected losses is, in fact, a particularly complex exercise, as it requires the formulation of macroeconomic forecasts, the selection of scenarios and their relative probabilities of occurrence, and the definition of a model capable of expressing the relationship between the aforementioned macroeconomic factors and the default rates of the exposures under assessment.

For this reason, in order to be able to appreciate the impact on expected losses resulting from the selection of different macroeconomic scenarios, and in compliance with the recommendations formulated by ESMA, sensitivity analyses are provided below, in terms of ECL. These analyses were conducted by assigning a 100% weighting to each individual macroeconomic scenario ("base", "adverse" and "climate") with respect to the multi-scenario approach followed for the purpose of preparing this document.

The selection of a multi-factor sensitivity, obtained by varying several parameters simultaneously and implicit in the choice of considering alternative macroeconomic scenarios, is justified by the fact that there are innumerable interrelationships between the different macroeconomic factors such that a sensitivity analysis based on a single factor would be less representative (e.g. the change in GDP would be correlated with changes in many other macroeconomic variables).

The reference basis for the sensitivity analyses is represented by the expected losses (ECL) relating to credit exposures to the customers of the Banca Ifis Group (including the illimity Group perimeter), i.e. cash loans and endorsement loans. In particular, this is the ECL determined on the basis of the models in use, and thus not including the post-model adjustments discussed below.

More specifically, the 100% “adverse” weighting would lead to an impact on the model ECL of approximately +1.5%, the 100% “baseline” weighting would lead to an impact of approximately -0.7%, while the 100% “climate” weighting would lead to a negligible impact (-0.2%),

The introduction of US duties represents a significant risk for European companies, including Italian ones, as products exported to the US risk becoming less competitive due to increased costs. This impact is further exacerbated by the depreciation of the dollar against the euro, which makes European exports more expensive in the US market, effectively acting as an additional “implicit duty”. As a result, the financial sustainability of many companies, especially in industries heavily dependent on exports, could be jeopardised. In light of the high uncertainty and uncertainty experienced starting from the second quarter of 2025, the Group conducted a careful analysis to identify and assess these new risks. Initially, the sectors most exposed to US duties were identified, including automotive, agri-food and textiles, which are particularly vulnerable to changes in tariff regimes. On the basis of this segment boundary, the Group conducted a stress test exercise, aimed at measuring the potential impacts of both deteriorating credit positions of exposed customers and worsening coverage in the face of an increase in PD and migrations from Stage 1 to Stage 2 (according to IFRS 9 accounting standards). The risk parameters, such as PD, were stressed by considering the evolution of sectoral decay rates, underlying the adverse scenario, which was also used to estimate the forward-looking component of the IFRS 9 provisioning process, explained above. The choice of this scenario to assess the potential effects of the introduction of duties on Italian and European exports was motivated by its severity and was considered sufficiently stringent to obtain a robust and prudent assessment of the potential impacts on the Group's credit exposure. Against this analysis, it was considered that the risks from the introduction of duties were already adequately factored into the satellite models as a result of the updated forward-looking risk parameters, also in light of the developments in relations between the EU and the US administration with respect to the high tensions in spring 2025.

As already explained in previous reports, it is noted that the Covid-19-related health emergency in early March 2020 had generated unprecedented impacts on global economic growth. This circumstance had prompted intermediaries to consider possible impacts on credit risk produced by such extraordinary risk factors not adequately captured by the expected loss (ECL) calculation models in use. This, coupled with the need to capture expectations of a rapid deterioration in macroeconomic conditions from a forward-looking perspective, had led the Group to introduce prudential adjustments (“management overlays”) over time in the determination of expected losses (ECL); these adjustments were aimed in particular at capturing the risks associated with exposures to counterparties belonging to the most potentially vulnerable economic sectors.

After 2021, as a result of geopolitical tensions related to the Russia-Ukraine conflict and subsequently, the conflict in the Middle East, the inflationary scenario and the slowdown in economic growth, the prudential adjustments applied and previously described were replaced and restated with the aim of factoring in the risks emerging from the macroeconomic context of reference. In particular, a number of new prudential adjustments had been introduced to take into account the macroeconomic context strongly influenced by geopolitical tensions, the impact of rising energy prices, inflationary dynamics, and the significant increase in interest rates in order to intercept risk factors relating to counterparties belonging to sectors considered particularly exposed (in particular, companies in the manufacturing, agricultural, transport and energy trading sectors) and to new emerging risks.

At 31 December 2023, the total amount of the described prudential adjustments (management overlay) recorded by the Parent Company was approximately 52.3 million Euro, almost equally divided between adjustments to hedge multiple risk factors (particularly related to inflationary, geopolitical and energy supply risks) and adjustments to hedge adverse macroeconomic expectations, the quantifications of which had also been supported by stress scenario and sensitivity analyses. At 31 December 2023, an additional 12.8 million Euro of prudential adjustments were also provided for to protect positions specifically identified to take into account their possible deterioration, which can be estimated in a reasonably short time horizon and is not captured by current models (“expert-based” valuations).

In 2024, the Bank had fully utilised the prudential adjustments resulting from expert-based assessments, following the actual classification of specifically identified positions as impaired exposures. In addition, management overlays set aside to hedge multiple risk factors (particularly related to inflationary, geopolitical and energy supply risks) and to hedge against adverse macro-economic expectations, had been used against the deteriorating dynamics of the underlying portfolio clusters as the risks against which these overlays were set up had been deemed to have materialised. The total amount of management overlays at 31 December 2024 was therefore 25,2 million Euro.

During the third quarter of 2025, the amount of the overlay was reduced by approximately 8 million Euro due to a decrease in the severity of the scenarios supporting the quantification as well as due to utilisation against the deterioration dynamics of the underlying portfolio clusters.

At the end of 2025, management overlays to hedge multiple risk factors and adverse macroeconomic expectations were fully utilised, resulting in a positive economic impact.

This decision, in addition to covering some specific positions impaired during the quarter, was deemed reasonable on the basis of a set of evidence, both internal and external, that, on the one hand, confirms the full incorporation in the new macroeconomic scenarios of the elements linked to 'emerging risks' and, on the other, attests to a strengthening of internal credit risk measurement and control controls. In particular, the extraordinary conditions that had justified the introduction of management overlays gradually disappeared. 'Novel risks', such as those of a geopolitical or climatic-environmental nature, are now integrated into the macroeconomic scenarios used to calibrate the risk parameters; moreover, the sensitivities illustrated show a limited responsiveness of the ECL even in the presence of a worsening macroeconomic framework.

With reference to the main macroeconomic factors, there are signs of improvement. In fact, inflation in the Euro area fell to 2% in December, hitting the ECB price stability target and signalling an easing of inflationary pressures; at the same time, the 3-month Euribor stabilised at around 2%, with moderate fluctuations reflecting relatively stable monetary policy expectations after the rate cuts made in 2025. Overall, these dynamics point to a more stable macroeconomic framework that is less exposed to adverse shocks.

Alongside the described evolution of the external context, the IFRS 9 models in use have progressively shown a level of robustness that further reduces the need for prudential overlays: the models have steadily passed backtesting, conducted according to a framework made more structured during 2025, and guarantee levels of coverage that can also be considered adequate in light of the systemic evidence. Another important aspect is the gradual strengthening of the monitoring and control processes of the credit portfolio, both within the framework of first-level activities and through second-level supervision, ensuring a more timely and effective ability to identify deterioration dynamics.

Finally, as of the 2025 financial year, the forward-looking component of the parameters has been revised by incorporating ESG elements, thanks to the introduction of a dedicated climate scenario to reflect potential vulnerabilities related to climate transition in the model. Taken together, these elements combine to define a solid and adequately supervised methodological and management framework.

6.1.7. Onerous credit restructuring (implying a reduced financial obligation)

In July 2022, the Bank Group adopted the operational note "Management of forbearance operations". In particular, the paragraph "Relationship between the granting of forbearance and credit quality" provides as follows: the reduced financial obligation ("ROF") is calculated by comparing the value of the cash flows under the original agreement with those under the new agreement discounted at the effective rate of the original credit. Flows include all sums, including unpaid interest and commissions.

The Bank uses an internal application to calculate the ROF: its outcome is documented in the proposal for the resolution of the forbearance grant. Risk Management performs ex-post spot checks against contracts that have had forbearance concessions and in particular also characterised by ROF.

6.1.8. Quantitative information

Table 31 – Template EU CR1: Performing and non-performing exposures and related provisions (1 of 2)

		Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
			Of which: stage 1	Of which: stage 2		Of which: stage 2	Of which: stage 3
005	Cash balances at Central Banks and other demand deposits	834	834	-	-	-	-
010	Loans and advances	10,084	9,163	825	2,634	-	546
020	Central Banks	-	-	-	-	-	-
030	General governments	285	226	59	25	-	22
040	Credit institutions	267	267	-	-	-	-
050	Other financial corporations	594	588	7	10	-	1
060	Non-financial corporations	7,931	7,169	675	1,131	-	480
070	Of which: SMEs	3,932	3,459	407	427	-	130
080	Households	1,007	914	84	1,468	-	42
090	Debt securities	5,487	5,340	24	500	-	20
100	Central Banks	-	-	-	-	-	-
110	General governments	3,989	3,989	-	-	-	-
120	Credit institutions	411	411	-	-	-	-
130	Other financial corporations	966	847	24	497	-	20
140	Non-financial corporations	121	93	-	2	-	-
150	Off-balance-sheet exposures	1,724	1,501	76	72	-	46
160	Central Banks	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-
180	Credit institutions	1	1	-	-	-	-
190	Other financial corporations	299	219	-	16	-	16
200	Non-financial corporations	1,275	1,136	71	39	-	28
210	Households	149	144	5	17	-	2
220	Total	18,129	16,837	926	3,205	-	612

Table 32 – Template EU CR1: Performing and non-performing exposures and related provisions (2 of 2)

		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Performing exposures	Non-performing exposures
			Of which: stage 1	Of which: stage 2		Of which: stage 2	Of which: stage 3			
005	Cash balances at Central Banks and other demand deposits	(2)	(2)	-	-	-	-	-	-	
010	Loans and advances	(275)	(257)	(18)	(231)	-	(231)	(11)	4,787	730
020	Central Banks	-	-	-	-	-	-	-	-	
030	General governments	(17)	(16)	(1)	(1)	-	(1)	-	-	
040	Credit institutions	(1)	(1)	-	-	-	-	-	1	-
050	Other financial corporations	(11)	(11)	-	-	-	-	-	125	1
060	Non-financial corporations	(241)	(226)	(15)	(215)	-	(215)	(4)	3,825	613
070	Of which: SMEs	(209)	(199)	(11)	(54)	-	(54)	-	2,058	300
080	Households	(5)	(4)	(2)	(15)	-	(15)	(7)	836	116
090	Debt securities	(6)	(5)	(1)	(4)	-	(4)	-	31	-
100	Central Banks	-	-	-	-	-	-	-	-	-
110	General governments	(2)	(2)	-	-	-	-	-	-	-
120	Credit institutions	-	-	-	-	-	-	-	-	-
130	Other financial corporations	(3)	(2)	(1)	(4)	-	(4)	-	31	-
140	Non-financial corporations	(1)	(1)	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	6	4	1	3	-	2	-	32	-
160	Central Banks	-	-	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-	-	-

		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Performing exposures	Non-performing exposures
			Of which: stage 1	Of which: stage 2		Of which: stage 2	Of which: stage 3			
180	Credit institutions	-	-	-	-	-	-	-	-	
190	Other financial corporations	1	1	-	-	-	-	2	-	
200	Non-financial corporations	5	4	1	3	-	2	27	-	
210	Households	-	-	-	-	-	-	3	-	
220	Total	(289)	(268)	(20)	(238)	-	(237)	(11)	4,850	731

It should be noted that for off-balance sheet exposures (rows 150 to 210), provisions are reported with a positive sign, in line with Finrep reporting. In the total row, the amounts - shown with a negative sign - represent the sum of the absolute values of value adjustments, negative fair value changes due to credit risk and provisions.

Table 33 – Template EU CR1-A: Duration of exposures

		Net exposure value					Total
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	
1	Loans and advances	26,961,461	4,353,164,925	2,668,255,492	1,589,307,597	3,365,584,443	12,003,273,917
2	Debt securities	0	798,031,864	1,856,670,233	3,321,292,071	2,502,564,955	8,478,559,122
3	Total	26,961,461	5,151,196,789	4,524,925,724	4,910,599,667	5,868,149,398	20,481,833,039

Table 34 – Template EU CR2: Changes in the stock of non-performing loans and advances and related net accumulated recoveries

		Gross carrying amount	Related cumulative net recoveries
010	Initial stock of non-performing loans and advances	1,921	
020	Inflows to non-performing portfolios	2,502	
030	Outflows from non-performing portfolios	1,789	
040	Outflow to performing portfolio	108	
050	Outflow due to partial or total repayment of the loan	495	
060	Outflow due to collateral liquidations	2	2
070	Outflow due to taking possession of collateral	-	-
080	Outflow due to the sale of instruments	190	4
090	Outflow due to risk transfers	-	-
100	Outflow due to write-offs	21	
110	Outflow due to other situations	949	
120	Outflow due to reclassification as held for sale	23	
130	Final stock of non-performing loans and advances	2,634	

Table 35 – Template EU CQ1: Credit quality of forborne exposures

		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne		On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measured	
				of which defaulted					of which impaired
005	Cash balances at Central Banks and other demand deposits	-	-	-	-	-	-	-	
010	Loans and advances	235	561	561	207	(4)	(33)	277	144
020	Central Banks	-	-	-	-	-	-	-	-
030	General governments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	4	-	-	-	-	-	4	-

	Gross carrying amount/nominal amount of exposures with forbearance measures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Collateral received and financial guarantees received on forbore exposures				
		Performing forbore	Non-performing forbore		On performing forbore exposures	On non-performing forbore exposures	Of which collateral and financial guarantees received on non-performing exposures with forbearance measured		
			of which defaulted	of which impaired					
060	Non-financial corporations	222	214	214	195	(4)	(30)	242	121
070	Households	8	347	347	12	-	(4)	30	23
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	1	2	2	2	-	-	-	-
100	Total	236	563	563	209	(4)	(33)	277	144

It should be noted that for Commitments to disburse data loans (line 90), provisions are reported with a positive sign, in line with Finrep reporting. In the total row, the amounts - shown with a negative sign - represent the sum of the absolute values of value adjustments, negative fair value changes due to credit risk and provisions.

	Gross carrying amount of exposures with forbearance measures	
010	Loans and advances that have been subject to forbearance measures more than twice	222
020	Impaired loans and advances subject to forbearance measures that failed to meet the criteria for exclusion from the impaired category	94

Table 36 – Template EU CQ3: Credit quality of performing and non-performing exposures by past due days

	Gross carrying amount/nominal amount	Gross carrying amount/nominal amount											
		Performing exposures				Non-performing exposures							
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted		
005	Cash balances at Central Banks and other demand deposits	834	834	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	10,084	9,793	291	2,634	366	106	249	201	502	473	739	2,634
020	Central Banks	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	285	226	59	25	20	1	-	-	1	1	3	25
040	Credit institutions	267	267	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	594	593	2	10	7	-	-	1	-	1	1	10
060	Non-financial corporations	7,931	7,746	185	1,131	245	70	165	183	166	143	158	1,131
070	Of which: SMEs	3,932	3,835	97	427	111	26	58	61	60	82	28	427
080	Households	1,007	962	45	1,468	93	35	83	17	334	328	577	1,468
090	Debt securities	5,487	5,465	22	500	497	2	-	-	-	-	-	500
100	Central Banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	3,989	3,989	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	411	411	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	966	944	22	497	497	-	-	-	-	-	-	497
140	Non-financial corporations	121	121	-	2	-	2	-	-	-	-	-	2
150	Off-balance-sheet exposures	1,724			72								72
160	Central banks	-			-								-
170	General governments	-			-								-
180	Credit institutions	1			-								-

		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
190	Other financial corporations	299			16								16
200	Non-financial corporations	1,275			39								39
210	Households	149			17								17
220	Total	18,129	16,092	313	3,205	863	108	249	201	502	473	739	3,205

Table 37 – Template EU CQ4: Quality of non-performing exposures by geography

		Gross carrying amount/nominal amount				Accumulated impairment	Provisions for off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	On-balance-sheet exposures	19,538	3,133	3,133	19,406	(518)	-	
020	Italy	17,598	3,125	3,125	17,467	(512)	-	
030	France	506	-	-	506	(1)	-	
040	Germany	424	-	-	424	(1)	-	
050	Ireland	217	-	-	217	-	-	
060	Switzerland	121	-	-	121	-	-	
070	Other states	672	8	8	672	(4)	-	
080	Off-balance-sheet exposures	1,796	72	72			9	
090	Italy	1,699	72	72			8	
100	Poland	50	-	-			-	
110	Ireland	15	-	-			-	
120	France	10	-	-			-	
130	Turkey	6	-	-			-	
140	Other States	15	-	-			-	
150	TOTAL	21,334	3,205	3,205	19,406	(518)	9	

Table 38 – Template EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	151	35	35	151	(8)	-
020	Mining and quarrying	26	1	1	26	-	-
030	Manufacturing	3,030	433	433	3,025	(115)	-
040	Electricity, gas, steam and air conditioning supply	80	17	17	80	(1)	-
050	Water supply	107	5	5	107	(1)	-
060	Construction	647	108	108	647	(33)	-
070	Wholesale and retail trade	2,228	294	294	2,228	(50)	-
080	Transport and storage	726	35	35	726	(193)	-
090	Accommodation and food service activities	129	27	27	129	(3)	-
100	Information and communication	287	30	30	287	(13)	-
110	Financial and insurance activities	1	-	-	1	-	-
120	Real estate activities	181	61	61	177	(4)	-

		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
130	Professional, scientific and technical activities	505	40	40	478	(15)	-
140	Administrative and support services activities	388	16	16	388	(5)	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	40	-	-	40	(1)	-
170	Human health services and social work activities	146	9	9	146	(6)	-
180	Artistic, entertainment and recreation	328	14	14	328	(7)	-
190	Other services	63	7	7	63	(1)	-
200	Total	9,061	1,131	1,131	9,025	(456)	-

Table 39 – Template EU CQ7: Collateral obtained by taking possession and execution processes

		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated decreases
010	Property, Plant and Equipment (PP&E)	-	-
020	Other than PP&E	-	-
030	Residential real estate	-	-
040	Non-residential real estate	-	-
050	Movable property (cars, boats, etc.)	-	-
060	Capital and debt instruments	-	-
070	Other collateral	-	-
080	Total	-	-

6.2. Credit risk mitigation techniques

Credit risk mitigation techniques include instruments that contribute to reducing the loss that the Group would incur in the event of counterparty default; specifically, they refer to guarantees received from customers, both collateral and personal, and to any contracts that may lead to a reduction in credit risk.

In general, as part of the process of granting and managing credit, for certain types of lines, the release by customers of suitable guarantees to reduce their risk is encouraged. They can be represented by:

- collateral encumbering assets, such as pledges on financial assets, mortgages on real estate (residential/non-residential); and/or
- personal guarantees (typically sureties) on a third party where the person (natural or legal) acts as guarantor of the customer's debt position in the event of insolvency.

In particular,:

- as part of factoring operations, when the type and/or quality of factored receivables do not fully satisfy requirements or, more generally, the invoice seller is not sufficiently creditworthy, the bank's established practice is to hedge the credit risk assumed by the Group by obtaining additional surety bonds from the shareholders or directors of the invoice seller. As for the account debtors in factoring relationships, wherever the Bank believes that the elements available to assess the account debtor do not allow to properly measure/assume the related credit risk, or the proposed amount of risk exceeds the limits identified during the debtor's assessment, the Bank adequately hedges the risk of default of the account debtor. Guarantees issued by correspondent factors and/or insurance policies underwritten with specialised operators are the main hedge against non-domestic account debtors in non-recourse operations;

- in loans to businesses, where possible, suitable guarantees are acquired from the Central Guarantee Fund or other companies coming under the public scope, such as SACE S.p.A.;
- in regard to Structured Finance, collateral is acquired according to the counterparty's standing as well as the term and type of the facility. Said collateral includes mortgage guarantees, liens on plant and equipment, pledges, surety bonds, credit insurance, and collateral deposits;
- as for finance leases, the credit risk is mitigated by the leased asset. The lessor maintains the ownership until the purchase option is exercised, ensuring a higher recovery rate in the event the client defaults;
- as for operations concerning distressed loans and purchases of tax receivables arising from insolvency proceedings, as well as the relevant business model, generally no action is implemented to hedge credit risks;
- salary-backed loans have low risk, considering the particular characteristics of this product: it requires having insurance against the customer's risk of death and/or loss of employment as well as imposing a lien on the severance indemnity (TFR) earned by the customer as additional collateral for the loan.
- lending to pharmacies involves an advance as well as a transfer or debt collection mandate, with the possibility of deducting subsequent advances from existing credit facilities.

In line with that established by the Liquidity Decree (Italian Decree Law No. 23 of 8 April 2020), the Group has benefited from the guarantees offered by the state Guarantee Fund for the type of customer and loans envisaged by the Decree, with cover that can reach 100%. This guarantee enables a reduction in the RWAs relative to the credit risk, proportionally to the share of exposure covered by the Fund. The acquired Npl portfolios include positions secured by mortgages on properties with a lower level of risk than the total portfolio acquired. When calculating the overall credit limit for an individual customer and/or legal and economic group, the Bank considers specific criteria when weighing the different categories of risks and guarantees. Specifically, when measuring collateral, it applies prudential "spreads" differentiated by type of guarantee.

The Group continuously verifies the quality and adequacy of the guarantees acquired on the loan portfolio, with second level monitoring carried out by the Parent Company's Risk Management function and carried out under the scope of the Single File Review (SFR).

6.2.1. Compensation

There are no formal compensation agreements with customers.

6.2.2. Eligible collateral and how it is valued and managed

In November 2025, the Bank Group adopted the "policy on the management of collateral represented by real estate for credit risk mitigation purposes".

The policy governs the process of managing collateral represented by real estate for the purpose of mitigating credit risk recognised when calculating capital requirements.

It also describes the general and specific requirements for the type of collateral considered, in the presence of which the prudential regulation recognises the correlative credit risk mitigation effects for the calculation of capital requirements.

Finally, the policy governs the valuation process (including the process of selecting and monitoring the external valuation firms entrusted with the valuation of real estate pledged as collateral for exposures) for all real estate collateral acquired, whether voluntary or judicial, regardless of whether the eligibility requirements are met.

6.2.3. Credit derivatives used for hedging purposes

There are no derivatives of this kind in the Banking Group's portfolio.

6.2.4. Concentration analysis on the different types of admitted guarantees

The table below shows the proportion (29%) of the book value guaranteed and the nature of the exposures guaranteed, concentrated on loans and advances (99%), half of which are collateralised and half financial guarantees. For the guaranteed portion, 13% fell into an impaired classification.

Quantitative information

Table 40 Template EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount	Secured carrying amount			
				of which secured by collateral	of which secured by financial guarantees	
					of which secured by credit derivatives	
1	Loans and advances	7,526	5,518	2,777	2,740	-
2	Debt securities	5,945	31	-	31	-
3	Total	13,471	5,549	2,777	2,771	-
4	of which non-performing exposures	2,168	730	308	423	-
EU-5	of which defaulted	2,168	730			

6.3. STD method for measuring credit risk

6.3.1. Qualitative disclosure

For the purposes of calculating capital requirements against credit risk, Banca Ifis uses the external credit assessment institution (ECAI) Fitch Ratings exclusively for the positions recognised under "Exposures to Central Governments and Central Banks" and "Exposures to Institutions".

With respect to the Exposures to Institutions class in 2024, in line with the regulatory changes introduced by CRR3, the SCRA approach assigned through an internal assessment of the relevant structures was adopted in 2025.

Banca Ifis uses the ECAI Cerved rating for corporate counterparties, having certain specific characteristics of size and use, in order to calculate capital absorption for supervisory purposes. These positions are included in the "Exposure to Companies" class. In addition, the Group has entered into framework agreements with leading insurance companies for the issuance of surety bonds to cover the risk of default by customers belonging to this class. These insurance companies are rated by S&P.

Table 41 – Rating methodologies by regulatory classes

Regulatory classes	ECA/ECAI	Characteristics of the rating
Exp. Central governments or central banks	Fitch Ratings	Solicited/Unsolicited
Exp. Regional governments or local authorities	-	-
Exp. Public sector entities	-	-
Exp. Institutions	Fitch Ratings	Solicited/Unsolicited
Exp. Companies	Cerved and S&P	Solicited/Unsolicited
Exp. to retail	-	-
Exp. secured by mortgages on immovable property and ADC exposures		
Exp. in default state		
Exp. from subordinated debt		
Exp. in the form of units or shares in collective investment undertakings (UCI)	-	-
Exp. in capital instruments		
Other items		

6.3.2. Quantitative information

Table 42 - Template EU CR4 - standardised approach: Credit risk exposure and CRM effects

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWA	RWA density (%)
1	Central governments or central banks	4,971	-	6,664	-	253	3.80%
2	Non-central government public sector bodies	215	-	215	-	113	52.84%
EU 2a	Regional governments or local authorities	21	-	21	-	4	20.00%
EU 2b	Public sector entities	193	-	193	-	109	56.48%
3	Multilateral development banks	-	-	-	-	-	-
EU 3a	International organisations	-	-	27	-	-	-
4	Institutions	1,345	17	1,339	16	354	26.13%
5	Covered bonds	-	-	-	-	-	-
6	Companies	5,824	1,042	5,041	565	4,865	86.78%
6.1	of which specialised financing	-	-	-	-	-	-
7	Exposures from subordinated debt and capital instruments	609	4	609	4	676	110.21%
EU 7a	Exposures from subordinated debt	80	-	80	-	121	150.00%
EU 7b	Equity	529	4	529	4	555	104.20%
8	Retail	3,009	611	2,495	77	1,451	56.41%
9	Exposures secured by mortgages on immovable property and ADC exposures	527	44	492	16	328	64.68%
9.1	Exposures secured by mortgages on residential immovable property – non-IPRE	207	8	207	3	76	36.05%
9.2	Exposures secured by mortgages on residential immovable property – IPRE	1	-	1	-	-	48.66%
9.3	Exposures secured by mortgages on non-residential immovable property – non-IPRE	264	7	229	1	175	76.19%
9.4	Exposures secured by mortgages on non-residential immovable property – IPRE	41	11	41	4	54	118.24%
9.5	Acquisition, Development and Construction (ADC)	15	17	15	7	23	108.32%
10	Exposures in default	2,483	50	2,231	15	2,390	106.40%
EU 10a	Credit to institutions and companies with short-term credit rating	-	-	-	-	-	-
EU 10b	Collective investment undertakings (UCI)	739	80	739	68	723	89.54%
EU 10c	Other items	641	-	641	2	625	97.10%
11	Not applicable						
12	TOTAL	20,363	1,848	20,493	763	11,779	55.41%

Table 43– Template EU CR5: Standardised approach (1 of 2)

	Exposure classes	Risk weight													
		0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments or central banks	6,524	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Non-central government public sector bodies	-	-	-	-	127	-	-	-	-	-	-	-	-	-
EU 2a	Regional governments or local authorities	-	-	-	-	21	-	-	-	-	-	-	-	-	
EU 2b	Public sector entities	-	-	-	-	105	-	-	-	-	-	-	-	-	
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	
EU 3a	International organisations	27	-	-	-	-	-	-	-	-	-	-	-	-	
4	Institutions	31	25	20	-	889	110	-	54	-	205	-	-	16	
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	
6	Companies	-	-	-	-	376	-	-	-	-	394	-	-	730	

Exposure classes		Risk weight													
		0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
6.1	of which specialised financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Exposures from subordinated debt and capital instruments	50	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 7a	Exposures from subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 7b	Equity	50	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail exposures	-	-	-	-	-	-	321	-	-	-	-	-	2,163	-
9	Exposures secured by mortgages on immovable property and ADC exposures	-	-	-	-	140	-	-	3	-	-	73	-	79	-
9.1	Exposures secured by mortgages on residential immovable property – non-IPRE	-	-	-	-	140	-	-	-	-	-	-	-	63	-
9.1.1	without applying the allocation of mortgages	-	-	-	-	-	-	-	-	-	-	-	-	29	-
9.1.2	applying the allocation of mortgages (with guarantee)	-	-	-	-	140	-	-	-	-	-	-	-	-	-
9.1.3	applying the allocation of mortgages (without guarantee)	-	-	-	-	-	-	-	-	-	-	-	-	34	-
9.2	Exposures secured by mortgages on residential immovable property – IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.3	Exposures secured by mortgages on non-residential immovable property – non-IPRE	-	-	-	-	-	-	-	3	-	-	73	-	17	-
9.3.1	without applying the allocation of mortgages	-	-	-	-	-	-	-	3	-	-	-	-	11	-
9.3.2	applying the allocation of mortgages (with guarantee)	-	-	-	-	-	-	-	-	-	-	73	-	-	-
9.3.3	applying the allocation of mortgages (without guarantee)	-	-	-	-	-	-	-	-	-	-	-	-	6	-
9.4	Exposures secured by mortgages on non-residential immovable property – IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10a	Credit to institutions and companies with short-term credit rating	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (UCI)	13	4	3	3	41	-	-	3	1	1	-	-	-	-
EU 10c	Other items	12	-	-	-	8	-	-	-	-	-	-	-	-	-
11	<i>Not applicable</i>														
EU 11c	TOTAL	6,656	29	23	3	1,581	110	321	61	1	600	73	-	2,988	-

Table 44– Template EU CR5: Standardised approach (2 of 2)

Exposure classes		Risk weight											Total	Of which unrated	
		90%	100%	105%	110%	130%	150%	250%	370%	400%	1250%	Others			
		o	p	q	r	s	t	u	v	w	x	y			z
1	Central governments or central banks	-	63	-	-	-	-	76	-	-	-	-	-	6,664	4,111
2	Non-central government public sector bodies	-	88	-	-	-	-	-	-	-	-	-	-	215	215
EU 2a	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	21	21
EU 2b	Public sector entities	-	88	-	-	-	-	-	-	-	-	-	-	193	193
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 3a	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	27	27
4	Institutions	-	5	-	-	-	-	-	-	-	-	-	-	1,355	554
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Exposure classes	Risk weight											Total	Of which unrated
		90%	100%	105%	110%	130%	150%	250%	370%	400%	1250%	Others		
		o	p	q	r	s	t	u	v	w	x	y		
6	Companies	-	3,662	-	-	-	444	-	-	-	-	-	5,606	2,738
6.1	of which specialised financing	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Exposures from subordinated debt and capital instruments	-	378	-	-	-	166	20	-	-	-	-	613	613
EU 7a	Exposures from subordinated debt	-	-	-	-	-	80	-	-	-	-	-	80	80
EU 7b	Equity	-	378	-	-	-	85	20	-	-	-	-	533	533
8	Retail exposures	-	85	-	-	-	2	-	-	-	-	-	2,572	2,572
9	Exposures secured by mortgages on immovable property and ADC exposures	10	162	-	1	-	34	-	-	-	-	4	508	467
9.1	Exposures secured by mortgages on residential immovable property – non-IPRE	-	8	-	-	-	-	-	-	-	-	-	210	206
9.1.1	without applying the allocation of mortgages	-	4	-	-	-	-	-	-	-	-	-	33	28
9.1.2	applying the allocation of mortgages (with guarantee)	-	-	-	-	-	-	-	-	-	-	-	140	140
9.1.3	applying the allocation of mortgages (without guarantee)	-	4	-	-	-	-	-	-	-	-	-	38	38
9.2	Exposures secured by mortgages on residential immovable property – IPRE	-	-	-	-	-	-	-	-	-	-	-	1	1
9.3	Exposures secured by mortgages on non-residential immovable property – non-IPRE	-	136	-	-	-	1	-	-	-	-	-	230	193
9.3.1	without applying the allocation of mortgages	-	118	-	-	-	1	-	-	-	-	-	133	96
9.3.2	applying the allocation of mortgages (with guarantee)	-	-	-	-	-	-	-	-	-	-	-	73	73
9.3.3	applying the allocation of mortgages (without guarantee)	-	18	-	-	-	-	-	-	-	-	-	24	24
9.4	Exposures secured by mortgages on non-residential immovable property – IPRE	10	-	-	1	-	30	-	-	-	-	4	46	46
9.5	Acquisition, Development and Construction (ADC)	-	18	-	-	-	4	-	-	-	-	-	22	22
10	Exposures in default	-	1,959	-	-	-	288	-	-	-	-	-	2,247	2,247
EU 10a	Credit to institutions and companies with short-term credit rating	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (UCI)	-	289	-	12	-	213	1	-	-	-	224	807	807
EU 10c	Other items	-	623	-	-	-	-	-	-	-	-	-	643	643
11	<i>Not applicable</i>													
EU 11c	TOTAL	10	7,315	-	14	-	1,147	96	-	-	-	228	21,256	14,994

6.4. Specialised financing and capital instruments

6.4.1. Quantitative information

Table 45– Template EU CR10.5 - Exposures in capital instruments falling under Article 133(3)(6) and Article 495 bis(3) of the CRR

Categories	On-balance-sheet exposures	Off-balance-sheet exposures	Risk weight	Exposure value	Risk-weighted exposure amount	Measurement of expected losses
	a	b	c	d	e	f
Exposures in capital instruments to central banks	50	-	0%	50	0	-
Exposures in private equity instruments (formerly 'high risk')	82	4	150%	86	129	-
Exposures in significant financial sector investments	20	-	250%	20	49	-
Other exposures in capital instruments	377	0	100%	377	377	-
TOTAL	529	4	-	533	555	-

Tables CR10.1 to CR10.4 are not presented as the Group had no exposures attributable to specialised lending at the reporting date.

7. Counterparty Risk

7.1. Exposure to counterparty credit risk

7.1.1. Qualitative disclosure

The counterparty risk is the risk that the counterparty to a transaction involving financial instruments defaults before the final settlement of the transaction cash flows.

Counterparty risk at Banca Ifis S.p.A. arises from derivatives transactions generated by the Proprietary Finance business, an area within the Capital Markets Department responsible for identifying, implementing, and executing investment strategies for the Banca Ifis proprietary portfolio; there is also an interest rate swap arising from the Corporate business, in which derivative contracts were offered to customers to hedge their financial risks. This transaction, which is still outstanding, is hedged on a 'back-to-back' basis, i.e. by taking, with an external market counterparty, an opposite position to that sold to corporate customers. Also illimity Bank has a similar activity to the one just described, from which a counterparty risk similar to that of the parent company arises. In this case, customer positions are managed 'by the book', minimising exposure in terms of Greeks.

Moreover, in 2021, a derivative transaction (purchase of a put option from a leading financial counterparty) was put in place to hedge the interest rate component of the self-securitisation transaction carried out by IFIS NPL Investing. This transaction, which will be restructured during 2023, could imply an increase in counterparty risk due to the fact that, as a result of changes in rates, the relative mark-to-market is positive and, consequently, the counterparty selling the option in question would be indebted to IFIS NPL Investing. In addition, a further derivative on the Indigo Lease securitisation was closed in 2024, of the IRS type, in which the Bank pays the fixed rate and receives the variable rate, which could further worsen the risk in question. This derivative was closed and another similar IRS was then reopened with another counterparty during 2025.

Organisationally, the Capital Markets Department is responsible for managing operations in financial instruments for the Parent Company in accordance with the policies defined and the guidelines assigned according to operational and risk limits and profitability targets, while at illimity, it is handled by the CFO area and the CIB area.

Prospectively speaking, no significant impact is expected on this risk in relation to the type of transactions, the nature of the counterparties and the margining systems envisaged.

With regard to counterparty risk connected to repos, the relative monitoring consists in a precise and constant verification of the structure and quality of the securities portfolio as the underlying risk is directly connected to the creditworthiness of the counterparties with which the collateralised financing operations are carried out (generally central counterparties such as Cassa di Compensazione e Garanzia and the European Central Bank) and is proportional to the price volatility of portfolio securities provided as a guarantee. There is only one repo transaction with central counterparty at the end of the fiscal year.

In relation to both the low level of exposure of the derivative product portfolio and the low incidence of absorbed internal capital connected to counterparty risk (CCR) on the total absorbed internal capital on risks, it is considered that the potential relevance of the aforementioned risk at Group level is "low".

The Group, for the measurement of counterparty risk and the measurement of the related capital requirement, is based on the methodologies prescribed by Regulation (EU) No. 575/2013 of 26 June 2013 - Part Three, Title II, Chapter 6 (CCR), for its application in Italy by Circular No. 285/2013, and on any subsequent amendments, for the purposes of calculating the relevant regulatory capital requirements.

The credit valuation adjustment risk refers to an interim market valuation adjustment of the portfolio of transactions with a counterparty, referring to OTC derivatives. This adjustment reflects the current market value of the entity's counterparty risk but it does not reflect the current market value of the entity's credit risk in relation to the counterparty.

The Credit Value Adjustment (CVA) risk is on the same portfolio subject to the counterparty risk previously analysed. It reflects the current market value to the risk itself.

For the measurement of credit valuation adjustment risks and its internal capital, the Bank follows the approach prescribed by Regulation (EU) No. 575/2013 of 26 June 2013 - Part Three, Title VI and Circular No. 285/2013, for its application in Italy, for the purposes of calculating the relevant regulatory capital requirement. In particular, for transactions involving derivatives, it adopts the "standardised approach" (article 384 CRR) in order to measure the credit valuation adjustment risk.

Financial Risk is the specialised organisational unit of Risk Management that contributes to the definition of counterparty and settlement risk management policies and processes and proposes related mitigation initiatives. Within that framework:

- it contributes to determining the methodology to be adopted for calculating the capital requirement for counterparty risk on the basis of the instruments traded and strategies implemented;
- it transposes the capital requirement values from Supervisory Reports, on the basis of which it may develop specific indicators for a complete and exhaustive assessment of the risk in question;
- it closely monitors the evolution of the market values of the derivative contract (and its underlying asset) throughout its term;
- it proposes and defines the methodology that quantifies capital absorption on credit lines relating to financial instruments subject to counterparty and settlement risk;
- it prepares and updates reports for corporate bodies outlining counterparty risk exposure;
- it periodically checks the quality of the data used in the risk measurement methodology.

7.1.2. Quantitative information

Table 46 – Template EU CCR1: Analysis of CCR exposure by approach

		Replacement Cost (RC)	Potential Future Exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	49	228		1.4	389	389	389	144
1	SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	<i>of which securities financing transactions netting sets</i>			-		-	-	-	-
2b	<i>of which derivatives and long settlement transactions netting sets</i>			-		-	-	-	-
2c	<i>of which from contractual cross-product netting sets</i>			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					2,324	2,324	2,324	40
4	Financial collateral comprehensive method (for SFTs)					116	135	135	50
5	VaR for SFTs					-	-	-	-

	Replacement Cost (RC)	Potential Future Exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
6	Total				2,829	2,848	2,848	234

Table 47 - Template EU CCR3 - Standardised approach – CCR exposures by regulatory exposure class and risk weights

Exposure classes		Risk weight											Total exposure value	
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others		
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	352	113	10	-	184	37	-	-	-	-	380	-	1,076
7	Companies	-	-	-	-	1	-	-	1	41	-	-	-	43
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Credit to institutions and companies with short-term credit rating	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	2,535	-	-	-	-	-	-	-	21	1	-	-	2,557
11	Total exposure value	2,887	113	10	-	185	37	-	1	62	1	380	-	3,676

Table 48 – Template EU CCR5: Composition of collateral for CCR exposures

Collateral Type	Collateral used in derivative transactions				Collateral used in SFTs				
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral		
	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	
1	Cash - domestic currency	-	13	-	23	-	2,579	-	89
2	Cash - other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	2,677
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	Total	-	13	-	23	-	2,579	-	2,766

Table 49 – Template EU CCR6: Exposures in credit derivatives

	Notional	Protection purchased	Protection sold
		31/12/2025	31/12/2025
1	Single-name credit default swap	-	-
2	Index credit default swap	-	-
3	Total return swap	-	-
4	Credit option	-	-
5	Other credit derivatives	-	-
6	Total Notional	-	-
	Fair value		
7	Positive fair value (assets)	-	-
8	Negative fair value (liabilities)	-	-

Table 50 – Template EU CCR8: Exposures to CCP

	Exposure value	RWEA
1	Exposures to QCCP (total)	3
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which:	475
3	(i) OTC derivatives	113
4	(ii) exchange-traded derivatives	-

		Exposure value	RWEA
5	(iii) SFTs	362	1
6	(iv) netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	364	-
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which:	-	-
13	(i) OTC derivatives	-	-
14	(ii) exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

8. Securitisation

8.1. Positions towards securitisation

8.1.1. Qualitative disclosure

The Banca Ifis Group has prepared a "Group Policy for the Management of Securitisation Transactions in the Role of Originator/Promoter/Investor", with which it regulates the process of managing securitisation transactions in the event that it intervenes in the role of "originator" (i.e. a party that participated in the original contract that created the obligations that originated the securitised exposures or that acquired the exposures of a third party and subsequently proceeds to their securitisation) of "investor" (i.e. a person underwriting the securities) or "sponsor" (i.e. a person structuring the transaction as defined in Art. 2 of EU Regulation 2017/2402). For each potential case, the policy sets out the responsibilities of the organisational units and corporate bodies, with reference to both the due diligence process and the ongoing monitoring of the transaction.

Outstanding securitisation transactions at 31 December 2025 are listed below.

Ifis ABCP Programme securitisation

In 2016, Banca Ifis launched a three-year revolving securitisation of trade receivables due from account debtors. After Banca Ifis (originator) initially reassigned the receivables for 1.254,3 million Euro, in 2018, the vehicle named Ifis ABCP Programme S.r.l. issued 850 million Euro, increased to 1.000 million Euro, worth of senior notes subscribed for by the investment vehicles owned by the banks that co-arranged the transaction, simultaneously with the two-year extension of the revolving period. An additional tranche of senior notes, with a maximum nominal amount of 150 million Euro, initially issued for 19,2 million Euro, and that was subsequently adjusted based on the composition of the assigned portfolio, was subscribed for by Banca Ifis. In 2019, this portion was first partially repaid by the vehicle, then sold to a third-party bank for a total residual value of 98,9 million Euro. The difference between the value of the receivables portfolios and the senior notes issued represents the credit granted to the notes' bearers, which consists in a deferred purchase price.

At the end of June 2024, this securitisation was restructured to a value of 1,2 billion Euro. This restructuring has led Banca Ifis, which assumed the role of Lead-Arranger and Calculation Agent, to improve the economic conditions of the securitisation and to enlarge the investor base from six to eight institutions. The banks already involved in the project were joined by Cassa Depositi e Prestiti (CDP), whose commitment aims to provide new finance to SMEs, and Natixis CIB, the latter also assuming the role of co-arranger. Overall, the restructuring involved maintaining the current structural features, net of the extension of the revolving period for a period of 24 months, the extension of the final maturity date of the securities and a revision of the economic conditions applied. The securities of the securitisation are today listed on the ExtraMOT PRO segment of Borsa Italiana. This restructuring transaction did not have any impact on the Banca Ifis Group's economic and financial position.

Banca Ifis acts as servicer, performing the following tasks:

- following collection operations and monitoring cash flows on a daily basis;
- reconciling the closing balance at every cut-off date;
- verifying, completing and submitting the service report with the information on the securitised portfolio requested by the vehicle and the banks at every cut-off date.

As part of the securitisation programme, the Bank sends the amount it collects to the vehicle on a daily basis, while the new portfolio is assigned approximately six times each month; this ensures a short time lapse between the outflows from the Bank and the inflows associated with the payment of the new assignments.

Only part of the securitised receivables due from account debtors are recognised as assets - especially for the portion that the Bank has purchased outright, resulting in the transfer of all risks and rewards to the buyer. Therefore, the tables in the quantitative disclosure show only this portion of the portfolio.

In compliance with IAS/IFRS accounting standards, currently the securitisation process does not involve the substantial transfer of all risks and rewards, as it does not meet derecognition requirements. In addition, the vehicle Ifis ABCP Programme S.r.l. was consolidated because, following an analysis of the requirements set forth in IFRS 10, it was found to be subject to the control of Banca Ifis (for further details, see "Section 3 - Scope and methods of consolidation" of the paragraph "A.1 - General part" of "Part A - Accounting policies" of these Notes to the Consolidated Financial Statements).

The maximum theoretical loss for Banca Ifis is represented by the losses that could potentially arise within the portfolio of assigned receivables, and the impact would be the same as if the securitisation programme did not exist; therefore, the securitisation has been accounted for as follows:

- the securitised receivables purchased outright were recognised under "receivables due from customers", subitem "factoring";
- the funds raised from the issue of senior notes subscribed for by third parties were recognised under "debt securities issued" of the balance sheet liabilities;
- the interest on the receivables was recognised under the same item of the income statement "interest receivable and similar income";
- the interest on the notes was recognised under "interest due and similar expenses", sub-item "debt securities issued";
- the arrangement fees were fully recognised in profit or loss in the year in which the programme was launched.

Other securitisations

At 31 December 2025, the Banca Ifis Group holds a portfolio of securities issued by securitisation vehicles for a total of 1.4 billion Euro, of which 1.1 billion Euro measured at amortised cost, 155.7 million Euro measured at fair value with impact on comprehensive income and 95.0 million Euro measured at fair value with impact on the income statement. Such data includes:

- multi-originator securitisations in which the Group assumed, together with other banks, also the role of originator. The Group subscribed for securities with a carrying amount at 31 December 2025 of 66.1 million Euro (at 31 December 2024, the carrying amount was 47.6 million Euro). For more details, please refer to paragraph "C. Financial assets sold and derecognised in full" below, within the subsection "D. Disposal transactions" of this "Section 2 - Prudential consolidation risks" of Part E;
- single-tranche securities characterised by a carrying amount at 31 December 2025 of 32,6 million Euro;
- securities with underlying non-financial assets with a carrying amount at 31 December 2025 of 14,8 million Euro.

This securitisation portfolio totalling 1.4 billion Euro includes 1.1 billion Euro in balances from third-party securitisations of the illimity Group.

Table 51 – Exposures from the main "own" securitisations broken down by type of securitised asset and type of exposure

Type of securitised asset/Exposure	On-balance-sheet exposures						Guarantees granted						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals
A. Derecognised in full	480,210	206,008	103	-	158	-	-	-	-	-	-	-	-	-	-	-	-	-
- Receivables due from customers	480,210	206,008	103	-	158	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Partly derecognised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Not derecognised	-	-	59,714	1,408	248,887	2,718	-	-	-	-	-	-	-	-	-	-	-	-
- Receivables due from customers	-	-	59,714	1,408	248,887	2,718	-	-	-	-	-	-	-	-	-	-	-	-

Table 52 – Exposures from the main "own" securitisations broken down by type of securitised asset and type of exposure

Type of securitised asset/Exposure	On-balance-sheet exposures						Guarantees granted						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Carrying amount	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals	Net exposure	Impairment losses/ reversals
Financial and non-financial assets	1,298,756	209,177	70,170	980	7,538	-	-	-	-	-	-	-	6,986	31	-	-	-	-
Total	1,298,756	209,177	70,170	980	7,538	-	-	-	-	-	-	-	6,986	31	-	-	-	-

Table 53 – Interests in special purpose vehicles for the securitisation

Securitisation name / Special purpose vehicle name	Registered office	Consolidation	Assets ⁽¹⁾			Liabilities ⁽¹⁾		
			Receivables	Debt securities	Other	Senior	Mezzanine	Junior
Ifis ABCP Programme S.r.l.	Conegliano (TV)	b)	1,181,370	-	160,751	975,672	-	-
Aporti S.r.l. – Segment I	Milan	a)	25,973	-	15,961	41,033	-	-
Aporti S.r.l. – Segment II	Milan	a)	-	-	159	1,688	-	-
Aporti S.r.l. – Segment III	Milan	a)	-	-	578	637	-	-
Aporti S.r.l. – Segment IV	Milan	a)	1,008	-	1,397	19,311	-	-
Aporti S.r.l. – Segment VI	Milan	a)	520	-	625	1,050	-	-
Dagobah SPV S.r.l.	Milan	a)	11,673	-	20,569	19,512	-	-
Dome SPV S.r.l.	Milan	b)	48,792	-	8,234	38,047	5,461	11,940
Doria SPV S.r.l.	Milan	a)	5,857	-	80,297	11,592	-	-
Farky SPV S.r.l.	Milan	b)	117,579	-	6,289	72,620	22,530	33,301
Farm SPV S.r.l.	Milan	b)	13,521	-	1,075	10,196	1,606	3,204
Friuli SPV SR (SPV)	Milan	a)	564	-	6,217	1,865	-	-
GRO SPV S.r.l. – Segment I	Milan	b)	109,335	-	9,528	68,425	21,029	30,000
GRO SPV S.r.l. – Segment II	Milan	b)	66,461	-	11,752	56,424	8,101	15,995
Havana SPV S.r.l.	Milan	b)	13,130	-	525	9,493	1,477	2,943
Iside SPE S.r.l.	Milan	b)	6,385	-	5,910	13,029	-	1,564
Maui SPE	Milan	b)	-	-	7,804	8,635	-	-
Montes SPV	Milan	a)	11,717	-	8,305	13,155	-	-
Piedmont SPV	Milan	b)	8,716	-	27,252	35,923	-	-
Pitti SPV S.r.l.	Milan	a)	5,397	-	11,366	6,296	-	-
River SPV S.r.l.	Milan	a)	-	-	7,711	2,084	-	-

Securitisation name / Special purpose vehicle name	Registered office	Consolidation	Assets ⁽¹⁾			Liabilities ⁽¹⁾		
			Receivables	Debt securities	Other	Senior	Mezzanine	Junior
Sileno SPV S.r.l.	Milan	a)	28,716	-	5,270	33,369	-	-
Spicy Green SPV S.r.l.	Milan	b)	35,151	-	28,509	60,316	-	-

(1) The figures shown are gross of any intercompany transactions

a) Company consolidated on a line-by-line basis by virtue of the majority of voting rights in the ordinary shareholders' meeting.

b) Company consolidated on a line-by-line basis by virtue of other forms of control.

To carry out its activities, the Group uses securitisation vehicles pursuant to Law 130/99.

It should be noted that in addition to the transactions summarised above, which are consolidated on a line-by-line basis, the Convivio SPV securitisation transaction must also be considered, in relation to which Illimity Bank is a 50% underwriter of the mono-tranching note, in joint venture with Apollo Global Management. This transaction is not consolidated in the accounting perimeter, but proportionally consolidated in the prudential perimeter.

As at 31 December 2025, there are no cases referred to in this paragraph for the Banca Ifis Group.

Table 54–Servicer activities – own securitisations: collection of securitised loans and redemption of securities issued by the SPV for securitisation

Servicer	Vehicle company	Securitized assets (end-of-period figure)		Receivables collected during the year		Percentage share of redeemed securities (end-of-period figure)					
		Non-performing	Performing	Non-performing	Performing	Senior		Mezzanine		Junior	
						Non-performing loans	Performing loans	Non-performing loans	Performing loans	Non-performing loans	Performing loans
Banca Credifarma	ARCOBALENO FINANCE	5,552	5,146	11	3,787	-	-	-	-	0,28%	99.72%
Banca Credifarma	CREDIARC	21,796	2,265	334	1,636	-	-	-	-	16,96%	83.04%
ARECneprix	Vela 2023 SPV	62,898	173,919	25,587	14,054	4%	-	-	-	-	-
ARECneprix	Zefiro SPV	99,357	-	41,036	-	12%	-	-	-	-	-

It should be noted that both the Arcobaleno and Crediarc transactions are characterised by the absence of formalised business plans in the agreements:

- the Arcobaleno transaction concerned performing unsecured loans. The expected cash flows, therefore, were (with the exception of the positions relating to the counterparty in default) time-stamped to the maturity dates of the individual instalments of the amortisation schedules. The failure of debtors to meet agreed payments under individual loan agreements therefore represents a deviation from collection forecasts, resulting in exposures with delayed repayments.
- Crediarc's portfolio is divided into two macro aggregates. The first is only performing mortgages. For this cluster, therefore, the expected receipts correspond to the progressively accrued instalments, as per the original repayment schedules. Deviations from the expected cash flows are therefore represented by the outstanding debts at the time of recognition. The second cluster is represented by unlikely to pay and non-performing loans. The net carrying amount (given by the nominal amount of the receivable net of the write-down made) attributed to these receivables represents their estimated realisable value over a ten-year period: it is important to note that the values shown have not been discounted.

On the other hand, with reference to the transactions related to the vehicles "Vela 2023 SPV" and "Zefiro SPV", it should be noted that they derive from the Illimity Group's contribution, as they relate to the servicing activity carried out by ARECneprix (a subsidiary of Illimity Bank).

Self-securitisation transactions

Ifis Npl 2021-1 Spv

In March 2021, Banca Ifis realised for financing purposes, through its subsidiary Ifis Npl Investing, the very first securitisation in Italy of a non-performing portfolio mainly comprising unsecured loans backed by

assignment orders. The transaction is an innovative solution for this type of non-performing exposure, where the debt collection procedure through compulsory enforcement (attachment of one fifth of the salary) is at an advanced stage. The transaction aimed to collect funding for Ifis Npl Investing of up to 350 million Euro in liquidity on the institutional market, without deconsolidating the underlying credits. The loan portfolios concerned by the transaction (a portfolio of secured loans and an unsecured portfolio backed by assignment orders) owned by the subsidiary Ifis Npl Investing, was transferred to a newly-established SPV called Ifis Npl 2021-1 Spv S.r.l., which issued senior, mezzanine and junior notes. These tranches were initially fully subscribed by Ifis Npl Investing, and subsequently the senior tranches (net of the 5% retained by Ifis Npl Investing as originator pursuant to the retention rule) were sold to Banca Ifis.

As at 31 December 2025 the Banca Ifis Group had therefore subscribed all the notes issued by the vehicle. It should be noted that the senior tranches held by Banca Ifis were used for long term repurchase agreements transactions with leading banking counterparties.

On the basis of the contractual terms underlying the securitisation in question, there is no substantial accounting transfer ("derecognition" in accordance with IFRS 9) of all the risks and rewards relating to the receivables being sold to the vehicle company.

Emma S.P.V.

The securitisation transaction called Emma, prepared by the former Farbanca (now renamed Banca Credifarma following the merger by incorporation of the former Credifarma in April 2022), became part of the Banca Ifis Group as a result of the acquisition of control of this company during 2020.

In March 2018, the former Farbanca autonomously completed this securitisation for a total nominal amount of 460 million Euro. The loan portfolio transferred regarded performing exposures relative to secured credit, mortgage and unsecured loans, characterised by average seasoning of seven years. The transaction, structured by Banca IMI (Intesa Sanpaolo Group) was completed with the acquisition of loans by the SPV pursuant to Italian Law No. 130/1999, called Emma S.P.V. S.r.l. The securities were issued in three classes: a senior class for an amount of 322 million Euro (fully subscribed by institutional investors through private placement), a mezzanine class of 46 million Euro and a junior class of 96 million Euro (both subscribed fully by the former Farbanca).

This transaction was restructured during June 2021. The restructuring, which provided for the extension of the revolving period and a size increase in the transaction up to a total of 540 million Euro, was carried out with the involvement of the Parent Company Banca Ifis and Intesa Sanpaolo as co-arrangers. Following this restructuring, the securities were issued in three partly paid classes: the senior class, with a nominal amount of 397,5 million Euro, was fully subscribed by Duomo Funding Plc while the mezzanine and junior classes, with a nominal amount respectively of 53,0 million Euro and 90,1 million Euro, were fully subscribed the former Farbanca (now Banca Credifarma), which also fulfils the retention obligations in accordance with the CRR, as originator.

As a result of the revolving structure of the transaction, a further 312 new loans were assigned during 2023, for a total equivalent value of 104,7 million Euro (residual outstanding stipulated amount, including unpaid principal and interest and expenses on past due and unpaid instalments).

During the first half of 2025, the Parent Company Banca Ifis purchased all senior securities from Duomo Funding Plc. Therefore, at 31 December 2025, the securities issued by the vehicle were fully subscribed by the Banca Ifis Group and, consequently, from a consolidated point of view, this transaction was a self-securitisation.

The above securitisation transaction does not meet the requirements for derecognition in accordance with IFRS 9, not configuring a substantial transfer of all risks and related benefits. Therefore, the assets transferred and not cancelled with reference to the loans concerned by said securitisation, not meeting the requirements envisaged for derecognition, were "restored" to the consolidated accounts of the Banca Ifis Group.

Indigo Lease

In 2016, the Banca Ifis Group, through the originator company, the former Ifis Leasing S.p.A. (incorporated into Banca Ifis since May 2018) finalised a securitisation that involved selling a portfolio of performing loans totalling 489 million Euro to the special purpose vehicle Indigo Lease S.r.l.

The securitisation was rated by the agencies Moody's and DBRS, which will also perform the annual monitoring throughout the term of the transaction.

The initial purchase price of the assigned receivables portfolio, equal to 489 million Euro, was paid by the vehicle to the merged entity, the former Ifis Leasing using funds raised from the issue of senior notes for an amount of 366 million Euro. These received an AA3 (sf) rating from Moody's and an AA (sf) rating from DBRS, and their redemption is connected to the collections realised on the receivables portfolio. In addition, the vehicle issued 138 million Euro in junior notes that were acquired by the former Ifis Leasing and did not receive a rating. In addition, the latter received a specific servicing mandate to collect and manage the receivables.

During 2017, following the transaction restructuring, a revolving system was launched involving monthly assignments of new credit to the SPV, until July 2021. At the same time, the maximum nominal amount of the senior and junior notes was increased respectively to 609,5 and 169,7 million Euro. In the same period, Banca Ifis acquired all the senior notes issued by the vehicle. Following the May 2018 merger of the former Ifis Leasing, for incorporation into Banca Ifis, the latter also became the subscriber of the junior notes.

A second restructuring took place in June 2021, with confirmation of the nominal amount of the securities and simultaneous extension of the revolving period until July 2023.

In July 2023, Banca Ifis finalised the restructuring of the securitisation, which entailed the extension of the revolving period for a further two years and an increase in the principal outstanding amount of the senior securities, as well as the derating and delisting of the same from the Luxembourg Stock Exchange (as of 20 July 2023), in addition to obtaining STS (Securitisation "Simple, Transparent and Standardised") status pursuant to EU Regulation 2017/2402 (Securitisation Regulation).

As part of the transaction, Banca Ifis sold to UniCredit Bank AG the entire amount of senior securities, corresponding to a nominal amount of 609,5 million Euro and a principal amount outstanding of 400 million Euro. The junior securities, with a principal amount outstanding of 147,6 million Euro, were fully retained by Banca Ifis as originator.

During the third quarter of 2025, the parent company Banca Ifis carried out a further restructuring of the transaction, following which the securities related to the senior tranche were subscribed by the parent company. Therefore, at 31 December 2025, the securities issued by the vehicle were fully subscribed by the Parent Company Banca Ifis and, therefore, this transaction was a self-securitisation.

The above securitisation transaction does not meet the requirements for derecognition in accordance with IFRS 9, not configuring a substantial transfer of all risks and related benefits. Therefore, the assets transferred and not cancelled with reference to the loans concerned by said securitisation, not meeting the requirements envisaged for derecognition, were "restored" to the consolidated accounts of the Banca Ifis Group.

Colt SPV

In December 2022, illimity Bank entered into a loan assignment agreement with the vehicle company Colt SPV, whereby it assigned a portfolio of performing loans originated by illimity Bank at variable interest rates to corporate counterparties en bloc and without recourse to the SPV.

Colt SPV is a vehicle established pursuant to Law 130/1999, not held by illimity Bank, which issued senior, mezzanine and junior notes with a total notional value of 570.1 million Euro in December 2022, which were fully subscribed by illimity Bank.

In the course of 2023, illimity Bank subscribed for additional vehicle notes in the amount of approximately 138 million Euro.

In 2024, illimity Bank entered into another loan assignment agreement with the vehicle company Colt SPV, whereby it assigned a portfolio of performing loans originated by illimity Bank to corporate counterparties en bloc and without recourse to the SPV. Against this, the Colt SPV is structured in two segments.

As of the second half of 2025, this transaction became part of the Banca Ifis Group's self-securitisation operations, following Banca Ifis' acquisition of illimity Bank.

This transaction is one of the transactions without derecognition aimed at expanding the portfolio of eligible assets to build up a liquidity reserve that can be activated through ECB financing, repurchase agreements or other transactions. The notes subscribed by illimity Bank were in fact pledged as collateral for repurchase agreements in order to guarantee illimity Bank liquidity in line with its funding policies.

Energia Sostenibile SPV

During 2022, a number of mini-bond issues, issued by leading industrial companies, were underwritten by illimity Bank to support the energy transition and improve the sustainability profiles of the issuers.

With the main aim of mitigating the risk related to illimity Bank's exposure, it was agreed to give priority to mini-bond issues that could benefit from guarantees such as SACE and FEI. It was therefore ascertained from legal investigations that the mini-bonds benefiting from the aforementioned guarantees are not transferable to third parties or to any securitisation vehicle established pursuant to Law 130/99 precisely because of the guarantors' framework agreements.

In February 2023, illimity Bank then structured a synthetic securitisation transaction with Energia Sostenibile SPV, a vehicle set up pursuant to Law 130/1999 and not held by illimity Bank, which issued a one-sheet note fully subscribed by illimity Bank. Through the funds deriving from the subscription of the single-tranche note by illimity Bank (as sole underwriter), the SPV disbursed a 'limited recourse loan' for which illimity Bank was the sole borrower and whose characteristics were an exact replica of those of the mini-bonds at the individual closing (in terms of interest, repayments, economic conditions, etc.).

As of the second half of 2025, this transaction became part of the Banca Ifis Group's self-securitisation operations, following Banca Ifis' acquisition of illimity Bank.

This transaction is one of the transactions without derecognition ('self-securitisations') typically aimed at expanding the portfolio of eligible assets to build up a liquidity reserve that can be activated through financing, repurchase agreements or other transactions.

8.1.2. Quantitative information

Table 55 - Template EU-SEC1: securitisation exposures in the non-trading book (1 of 2)

	Institution acts as a transferor						
	Traditional				Synthetic		Sub-total
	STS		Non-STS			of which SRT	
		of which SRT		of which SRT			
1	Total exposures	161	-	128	38	-	
2	Retail (total)	-	-	-	-	-	-
3	Residential mortgage	-	-	-	-	-	-
4	Credit cards	-	-	-	-	-	-
5	Other retail exposures	-	-	-	-	-	-
6	Re-securitisation	-	-	-	-	-	-
7	Wholesale (total)	161	-	128	38	-	288
8	Loans to corporates	66	-	128	38	-	194
9	Commercial mortgage	-	-	-	-	-	-
10	Lease and receivables	95	-	-	-	-	95
11	Other wholesale	-	-	-	-	-	-
12	Re-securitisation	-	-	-	-	-	-

Table 56 - Template EU-SEC1: securitisation exposures in the non-trading book (2 of 2)

		Institution acts as a promoter				Institution acts as an investor			
		Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS	Non-STS			STS	Non-STS		
1	Total exposures	-	8	-	8	195	605	-	800
2	Retail (total)	-	7	-	7	148	139	-	287
3	Residential mortgage	-	-	-	-	-	62	-	62
4	Credit cards	-	-	-	-	-	-	-	-
5	Other retail exposures	-	7	-	7	148	77	-	225
6	Re-securitisation	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	1	-	1	47	465	-	513
8	Loans to corporates	-	-	-	-	41	346	-	386
9	Commercial mortgage	-	1	-	1	-	-	-	-
10	Lease and receivables	-	-	-	-	7	119	-	126
11	Other wholesale	-	-	-	-	-	-	-	-
12	Re-securitisation	-	-	-	-	-	-	-	-

Table 57 - Template EU-SEC2: securitisation exposures in the non-trading book

		Institution acts as a transferor				Institution acts as a promoter				Institution acts as an investor			
		Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS	Non-STS			STS	Non-STS			STS	Non-STS		
1	Total exposures	-	-	-	-	-	-	-	-	-	-	-	-
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	-
3	Residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-
4	Credit cards	-	-	-	-	-	-	-	-	-	-	-	-
5	Other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
6	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	-	-	-	-	-	-	-	-
8	Loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-
9	Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-
10	Lease and receivables	-	-	-	-	-	-	-	-	-	-	-	-
11	Other wholesale	-	-	-	-	-	-	-	-	-	-	-	-
12	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-

Table 58 - Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as transferor or promoter (1 of 2)

		Exposure values (per RW/deduction band)				Exposure values (per regulatory method)					
		≤20% RW	FROM >20% TO 50% RW	FROM >50% TO 100% RW	FROM >100% TO <1250% RW	1250% RW/DEDUCTIONS	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/DEDUCTIONS	Specific treatment for senior tranches of qualifying NPE securitisations
1	Total exposures	-	-	10	36	-	-	-	8	-	37
2	Traditional operations	-	-	10	36	-	-	-	8	-	37
3	Securitisation	-	-	10	36	-	-	-	8	-	37
4	Retail	-	-	-	7	-	-	-	7	-	-
5	of which STS	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	10	29	-	-	-	1	-	37
7	of which STS	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-
9	Synthetic operations	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-

12	Wholesale	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-

Table 59 - Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as transferor or promoter (2 of 2)

		RWEA (by regulatory approach)					Capital charge after cap				
		SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW	Specific treatment for senior tranches of qualifying NPE securitisations	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW	Specific treatment for senior tranches of qualifying NPE securitisations
1	Total exposures	-	3	16	-	38	-	-	1	-	3
2	Traditional operations	-	3	16	-	38	-	-	1	-	3
3	Securitisation	-	3	16	-	38	-	-	1	-	3
4	Retail	-	-	11	-	-	-	-	1	-	-
5	<i>of which</i> STS	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	3	5	-	38	-	-	-	-	3
7	<i>of which</i> STS	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-
9	Synthetic operations	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-

Table 60 – Template EU SEC4: Securitisation exposures in the non-trading book and related regulatory capital requirements: entity acts as investor (1 of 2)

		Exposure values (per RW/deduction band)					Exposure values (per regulatory method)				
		≤20% RW	FROM >20% TO 50% RW	FROM >50% TO 100% RW	FROM >100% TO <1250% RW	1250% RW/DEDUCTIONS	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW/DEDUCTIONS	Specific treatment for senior tranches of qualifying NPE securitisations
1	Total exposures	405	41	24	323	7	-	17	734	-	49
2	Traditional securitisation	405	41	24	323	7	-	17	734	-	49
3	Securitisation	405	41	24	323	7	-	17	734	-	49
4	Retail underlying	168	7	7	99	6	-	17	268	-	1
5	<i>of which</i> STS	148	-	-	-	-	-	-	148	-	-
6	Wholesale	237	34	18	224	1	-	-	465	-	47
7	<i>of which</i> STS	47	-	-	-	-	-	-	47	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-
9	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-

Table 61 – Template EU SEC4: Securitisation exposures in the non-trading book and related regulatory capital requirements: entity acts as investor (2 of 2)

		RWEA (by regulatory approach)					Capital charge after cap				
		SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW	Specific treatment for senior tranches of qualifying NPE securitisations	SEC-IRBA	SEC-ERBA (INCLUDING IAA)	SEC-SA	1250% RW	Specific treatment for senior tranches of qualifying NPE securitisations
1	Total exposures	-	87	1,575	-	53	-	1	21	-	4
2	Traditional securitisation	-	87	1,575	-	53	-	1	21	-	4
3	Securitisation	-	87	1,575	-	53	-	1	21	-	4
4	Retail underlying	-	87	593	-	3	-	1	10	-	-
5	<i>of which</i>	-	-	15	-	-	-	-	1	-	-
6	Wholesale	-	-	983	-	50	-	-	11	-	4
7	<i>of which</i>	-	-	6	-	-	-	-	-	-	-
8	STS	-	-	6	-	-	-	-	-	-	-
9	Re-securitisation	-	-	-	-	-	-	-	-	-	-
10	Synthetic securitisation	-	-	-	-	-	-	-	-	-	-
11	Securitisation	-	-	-	-	-	-	-	-	-	-
12	Retail underlying	-	-	-	-	-	-	-	-	-	-
13	Wholesale	-	-	-	-	-	-	-	-	-	-
14	Re-securitisation	-	-	-	-	-	-	-	-	-	-

Table 62 – Template EU SEC5: Exposures securitised by the entity: exposures in default and specific loan impairments

		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			of which exposures in default	
1	Total exposures	4,650	35	6
2	Retail (total)	43	34	-
3	<i>Residential mortgage</i>	-	-	-
4	<i>Credit cards</i>	-	-	-
5	<i>Other retail exposures</i>	43	34	-
6	Re-securitisation	-	-	-
7	Wholesale (total)	4,969	1	6
8	<i>Loans to corporates</i>	3,216	-	-
9	<i>Commercial mortgage</i>	1	1	-
10	<i>Lease and receivables</i>	1,753	-	6
11	<i>Other wholesale</i>	-	-	-
12	Re-securitisation	-	-	-

9. Market risk

9.1. Exposure to market risk

9.1.1. Institution market risk management strategies and processes

In 2025, the investment strategy continued, as regulated in the "Banca Ifis Proprietary Portfolio Management Policy" and in the "Policy for Managing Securitisation & Structured Solutions investment operations", structured to coincide with the risk appetite formulated by the Board of Directors under the scope of the Risk Appetite Framework (RAF) and laid out in the "Group Market Risk Management Policy", as well as with the system of objectives and limits.

Consistent with the conservative "stance" outlined in the above-mentioned documents, for most of the year the overall investment strategy focused on risk containment, implemented mainly by seeking out securities characterised by high liquidity and a strategy of steady returns over the medium term. During the course of the year, however, it was decided to gradually increase the duration of the portfolio, and the value invested was increased, in order to pursue greater stability of interest flows. The change in portfolio composition was accompanied by continuous monitoring of the exposure of the risks it generated. Compliance with the risk limits set by the Banca Ifis Group was verified on an ongoing basis by the Risk Management function. With the acquisition of illimity bank, the strategic lines of the parent company were naturally extended to the new subsidiary, and therefore there was an alignment of strategies and procedures between the two entities during the last months of the year.

The component relating to the "trading book" from which the market risk in question originates was marginal with respect to the total investments in the banking book both in absolute terms of the risk values recorded and with respect to the established limits. The trading book mainly comprises options and futures deriving from hedging transactions and ancillary enhancements to the investment strategy in assets that are part of the "banking book" and "discretionary trading" portfolio, characterised by short-term speculation and marginal exposure.

Within the trading portfolio there are also derivative transactions with the Bank's corporate client counterparty (almost entirely illimity Bank). These positions are managed 'by the book', continuously monitoring and managing the risk of Greeks generated by the portfolio. The risk metrics observed were extremely low.

From an internal management point of view, from a broader viewpoint and in general relating to operations on financial markets, the banking book is also prudentially monitored according to the logic of market risks and subject to specific limits, i.e. the positions posted in HTC&S and accounted for as FVOCI, whose variations in value could have a significant impact on reserves and consequently on the Bank's capital values.

In addition to the above, market risk-generating assets include foreign currency positions subject to exchange rate risk and derivative contracts entered into with corporate counterparties.

In relation to exchange rate risk, currency transactions mainly consist of:

- transactions carried out with customers, normally related to typical factoring and lending activities, originating from both the Italian Business Units and the foreign subsidiaries (in Poland and Romania) for which the exchange rate risk is mitigated from the start by using funds in the same original currency;
- transactions that are part of the typical Treasury activity for the management of mismatching between uses by customers and the related currency purchases made on the market.

At management level, the guidelines on the assumption and monitoring of market risk are set out at Group level in the "Group Market Risk Management Policy", in which, for the purposes of a more rigorous and detailed

representation of process activities, the metrics for measuring and monitoring the risk in question have also been indicated.

The risk appetite level is defined in the Risk Appetite Framework, laid out over the main investment and management strategies defined in the “Banca Ifis Proprietary Portfolio Management Policy”.

In particular, the measurement and evaluation of market risks is based on the different characteristics (in terms of time horizon, investment instruments, etc.) of the investment strategies of the Banca Ifis Proprietary Portfolio. This is consistent with the “Banca Ifis Proprietary Portfolio Management Policy”, which defines and details the strategies to be pursued in terms of portfolio structure, operative instruments and assets.

Under this scope, the monitoring of the consistency of the Group’s portfolio risk profiles in respect of the risk/return objectives is based on a system of limits (both strategic and operational), which envisages the combined use of various different indicators. More specifically, the following are defined:

- Maximum Acceptable Loss;
- Maximum negative gross financial impact;
- VaR limit;
- Limits of sensitivity and Greeks;
- Any limits to the type of financial instruments admitted;
- Any composition limits;
- OCI reserve stock.

Respect for the limits assigned to each portfolio is checked daily.

The summary management indicator used to assess exposure to the risks in question is the Value at Risk (VaR), which is a statistical measure that allows the loss that may be suffered following adverse changes to risk factors, to be estimated.

The VaR is measured using a confidence interval of 99% and a holding period of 1 day; it expresses the “threshold” of daily losses that, on the basis of probabilistic hypotheses may only be surpassed in 1% of cases. The approach used to calculate the VaR is historical simulation. With this approach, the portfolio is re-valued, applying all variations to the risk factors recorded the previous year (256 observations). The values thus obtained are compared with the current portfolio value, determining the relevant series of hypothetical gains or losses. The VaR is the average of the second and third worst results.

The VaR is also divided, for monitoring purposes, amongst the risk factors referring to the portfolio.

In addition to the risk indications deriving from the VaR, the Expected Shortfall (ES), which expresses the daily loss that exceeds the VaR figure, and the Stressed VaRs, which represent VaR calculated in a particularly turbulent historical period, which in the specific case corresponds to the Italian debt crisis of 2011-2012 and the 2020 Covid-19 pandemic, are also used for monitoring purposes.

9.1.2. Market risk management function organisational structure

The Financial Risk organisational unit:

- contributes to the definition of market risk management policies and processes arising from the Capital Markets Area's operations in financial instruments;
- defines the management methodology for monitoring market risks and proposes the strategic and management limits associated with it, monitoring compliance with them on a daily basis;
- verifies the quality of the data used in the risk measurement methodology and the correct configuration of the position keeper on a daily basis;

- verifies compliance with the strategic and management limits set with reference to both the trading activities of the trading book for supervisory purposes and the activities that are part of the Parent Company's banking book.

It also proposes initiatives to mitigate the risk in question. Within that framework:

- it contributes to establishing the methodology to be adopted for calculating the capital requirement for market risk on the basis of the instruments traded and strategies implemented and on the basis of regulatory developments;
- it transposes the capital requirement values from Supervisory Reports, on the basis of which it may develop specific indicators for a complete and exhaustive assessment of the risk in question;
- it quantifies the same risk metrics as above under conditions of financial market stress;
- it prepares and updates reports for the corporate bodies in which the exposure to the relevant risks is illustrated;
- it verifies by means of appropriate indicators that the positions in the trading book for supervisory purposes are actually for trading purposes.

9.1.3. Reporting and risk measurement systems

For measuring market risks in the trading portfolio for supervisory purposes and for measuring exchange rate risk, the Bank follows the approaches prescribed by Regulation (EU) No. 575/2013 of 26 June 2013 - Part Three, Title IV, and Circular No. 285/2013 for its application in Italy, for the calculation of the relevant regulatory capital requirement.

In particular, the standardised approach makes it possible to calculate the overall capital requirement on the basis of the so-called "building-block approach", according to which the overall requirement is obtained as the sum of the capital requirements against the following risks:

- position risk, which expresses the risk deriving from fluctuations in the price of securities due to factors connected with market trends and the situation of the issuing company; in this context it is important to note, where present, the basic risk, which expresses the risk of losses caused by non-aligned changes in the values of similar but not identical positions;
- settlement risk, which reflects the risk of loss resulting from the failure to settle transactions in debt securities, equity securities, derivative contracts, currencies and commodities;
- concentration risk, which represents any additional capital cover required in the event of temporarily exceeding the individual credit limit as a result of risk positions relating to the trading portfolio;
- exchange rate risk, which represents the risk of incurring losses due to adverse changes in the prices of foreign currencies on the positions held, regardless of the allocation portfolio (trading portfolio for supervisory purposes and trading portfolio).

The forecasting capacity of the risk measurement model used, is verified through a daily backtesting analysis in which the VaR for the positions in the portfolio at t-1 is compared with the profit and loss generated by such positions at t.

The positioning with respect to market risks is periodically reported by Risk Management to the Board of Directors, both in terms of specific monthly reports and as part of the quarterly *Tableau de Bord*.

9.1.4. Quantitative information

Table 63 - Template EU MR1: market risk under the standardised approach

		RWEA
Outright products		
1	Interest rate risk (general and specific)	47
2	Equity risk (general and specific)	16
3	Foreign exchange risk	-
4	Commodity risk	-
Options		
5	Simplified approach	-
6	Delta-plus approach	7
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	Total	70

10. CVA risk

10.1. Exposure to CVA risk

10.1.1. Credit assessment adjustment risk management process

Credit Valuation Adjustment (CVA) risk management is a structured process used to identify, measure, monitor and mitigate the risk of losses arising from the deterioration of a counterparty's creditworthiness in over-the-counter (OTC) derivatives.

The risk management process in question is overseen by the parent company's Risk Management function (O.U. Financial Risk) and consists of the following main steps:

- **Identification and Perimeter of Risk.** In particular, the OTC derivatives subject to CVA risk are identified, and the variables affecting CVA are analysed (in particular, the rating of the counterparty and the market risk factors determining the value of the derivative).
- **Measurement and assessment.** For the calculation of the CVA, the Bank adopts the reduced base method pursuant to Article 384(1)(b) of the CRR. In particular, the Bank does not include in the calculation any eligible hedges recognised under Article 386 of the CRR.
- **Risk mitigation.** Given the limited exposure in derivatives compared to total assets (both on an individual and consolidated basis), no active CVA management is conducted to date.
- **Monitoring and reporting.** On a quarterly basis, the Supervisory Reporting OU calculates the capital adequacy requirement for CVA risk using the reduced basic method and reports the results to the Risk Management function (OU Financial Risk), which makes use of it in order to carry out further analyses on the risks assumed by the institution in the context of the TDB to be submitted to the governing bodies and sent to the Supervisory Authority.

10.1.2. Insights from Article 445 bis(1)(b) CRR

Article 273 ter(2) of the CRR provides that "institutions shall cease calculating the exposure values of their derivative positions in accordance with section 4 or 5 and calculating the own funds requirements for CVA risk in accordance with Article 385, as applicable, within three months of the occurrence of any of the following situations:

- the institution does not fulfil the conditions set out in point (a) of Article 273 bis(1) or (2), as the case may be, or the conditions set out in point (b) of Article 273 bis(1) or (2), as the case may be, for three consecutive months;
- the institution does not fulfil the conditions set out in point (a) of Article 273 bis(1) or (2), as the case may be, or the conditions set out in point (b) of Article 273 bis(1) or (2), as the case may be, for more than six months during the preceding 12 months".

Below is a synoptic table highlighting the main figures characterising the Group's operations in OTC derivative instruments: long and short positions held at a consolidated level in the third quarter of 2025. The Group does not engage in securities financing transactions measured at fair value under the applicable accounting rules (Art. 382(2) CRR).

Month	Long position	Short position	Total	Percentage incidence
July	64	85	149	0.68%
August	76	93	170	0.77%
September	84	97	180	0.84%

It should be noted that the application of the simplified approach under Article 385 of the CRR is not possible due to the non-compliance in the third quarter of 2025 of one of the two thresholds under Article 273 bis(2): in

particular, the exposure in derivatives at the consolidated level exceeds 100 million Euro in each of the months considered, even though the relative incidence on total assets is always well below the 5% threshold.

10.1.3. Quantitative information

Table 64 – Template EU CVA1: Credit assessment adjustment risk under the reduced basic approach

		Components of own funds requirements	Own funds requirements
1	Aggregation of the systematic components of CVA risk	3	-
2	Aggregation of the idiosyncratic components of CVA risk	2	-
3	Total	-	17

11. Operational risk¹⁶

11.1. Exposure to operational risk

11.1.1. Objectives and management policies of operational risk

In compliance with regulatory requirements and industry best practices, the Banca Ifis Group has defined an integrated framework for managing operational, reputational, ICT and security risks, as well as risks arising from ICT services provided by third parties. The framework is based on rules, procedures, resources (human, technological and organisational) and control activities aimed at identifying, assessing, monitoring and mitigating risks, with appropriate communication to the relevant hierarchical levels.

Risk management is articulated through structured processes. The Group carries out Loss Data Collection, i.e. the collection and recording of losses resulting from operational risk events, accompanied by the dissemination of a culture oriented towards proactive risk management. Periodic Risk Self Assessment and Model Risk Self Assessment campaigns are also conducted to provide an overview of risks in terms of frequency, potential impact and organisational safeguards. These activities are complemented by the definition and monitoring of processes, indicators and risk thresholds, in order to detect timely changes in exposure to operational (including, where applicable, fraud risk) and IT risks.

The Parent Company's Risk Management function, in cooperation with other corporate functions, oversees the risks associated with the outsourcing of operational functions, assesses the risks associated with the introduction of new products and services, and analyses the operational impact of massive changes to contractual conditions. As part of the Risk Appetite Framework (RAF), Recovery Plan and ICAAP Report, stress analyses are also conducted to test the Group's resilience in adverse scenarios.

With specific reference to monitoring the evolution of ICT and Security risks and assessing the effectiveness of ICT resource protection measures, the Banca Ifis Group has defined a framework aimed at ensuring the identification, assessment and monitoring of ICT and Security risks, while ensuring adequate communication to the relevant hierarchical levels. In compliance with the regulatory requirement¹⁷, the Group has opted for a shared model of responsibility by assigning tasks to the Risk Management and Compliance corporate control functions, in relation to the roles, responsibilities and competences of each of the two functions.

In particular, the Risk Management function conducts the processes of analysing ICT and security risks and ICT Services provided by Third Parties according to the organisational and methodological framework approved by the Board of Directors, which takes the form of IT risk measurement activities on IT services and the processes they support, with the aim of detecting potential threats and vulnerabilities that could compromise the availability, integrity and confidentiality of information. Added to this activity is the definition and monitoring of a set of ICT and Security risk indicators and related thresholds that can promptly highlight the emergence of potential vulnerabilities. In addition, the framework provides for risk assessment on projects involving substantial changes to information systems, to ensure that technological developments are consistent with the acceptable level of risk and the protection measures in place. Finally, the Group adopts a structured approach to managing the risks associated with IT services provided by third parties, in line with the relevant regulatory framework, DORA. Risk analyses, performed both pre-contractually and on an ongoing basis, ensure an adequate assessment of the main risk profiles, including concentration risk, and support the protection of business continuity, data security and overall resilience.

To support these processes, the Group has adopted internal policies and regulations and keeps them regularly updated. These documents define the methodological framework, how risks are identified, assessed and

¹⁶ Reputational Risk and ICT and Security Risk are also considered in this chapter

¹⁷ On 2 November 2022, the Bank of Italy issued the 40th update of the "Supervisory Provisions for Banks", amending Chapter 4 "The Information System" and Chapter 5 "Business Continuity" of Part One, Title IV, to implement the "Guidelines on Information Technology (ICT) Risk Management and Security" (EBA/GL/2019/04) issued by the EBA. On this occasion, some work was also carried out to reconcile and update the internal references in Section I of Chapter 3 "The Internal Controls System".

mitigated, and the responsibilities of the functions involved. They are the reference to ensure a structured, consistent and regulatory-compliant approach.

Concerning the companies of the Banca Ifis Group, please note that currently the management of operational risks is guaranteed by the strong involvement of the Parent Company, which makes decisions in terms of strategies and risk management. The overall operational risk management framework was therefore extended, on the basis of the principle of proportionality, by adopting the same methodological approach and IT tools developed at the Parent Company.

11.1.2. Operational risk control function organisational structure

The structure that manages operational, reputational, ICT and security risks is located within the Risk Management function. It is responsible for managing operational and reputational risks, ICT and security risks, and risks arising from contractual agreements with ICT service providers. In addition, the unit carries out periodic second-level checks to monitor fraud risk.

The unit proposes risk assessment models to the Board of Directors, which include the organisational, methodological, technological and procedural framework for governance, management, supervision, monitoring and control processes. The models are subject to review and updating with a view to continuous improvement, on the basis of evidence from the analyses and monitoring carried out, as well as in consideration of any significant changes to the operational, regulatory and technological context. The unit also provides consultancy support to the various corporate structures, encouraging the correct application of risk management policies and contributing to the dissemination of a culture oriented towards prevention and proactive risk management.

Within the scope of its competences, the unit supervises and monitors the development of risks, documenting assessments in relation to the results of the controls and analyses conducted. In addition, where foreseen, it ensures the activation of escalation processes, supports the definition and monitoring of any mitigation actions that become necessary as a result of control activities, and ensures that corrective measures are consistent with the level of risk detected.

The unit works in coordination with the other second and third level control functions and with the operational functions involved in risk management processes, ensuring an integrated approach consistent with the Group's governance model. In addition, it prepares the necessary information for reporting to the Government Bodies and Supervisory Authorities, in accordance with the applicable laws and regulations.

11.1.3. Operational risk measurement (systems and data used to measure operational risk for capital requirement estimation purposes)

The Banca Ifis Group applies the Standardised Measurement Approach (SMA) introduced by the Basel IV framework and transposed into European legislation (CRR III) to determine the capital requirement for operational risk.

This methodology is based on the calculation of the Business Indicator, an index that represents a summary measure of the Bank's operating activity and is calculated as the sum of three main components, derived from specific income statement items:

- Interest Component: net interest income, including interest income and expense and other similar income;
- Services Component: commission income and expenses, income and expenses from services;
- Financial Component: net result of financial and trading operations.

The Business Indicator, expressed as a three-year average, is divided into buckets according to operational size. Being less than 1 billion Euro for the Banca Ifis Group, a ratio of 12% is applied

11.1.4. Scope and main context of the operational risk reporting framework to senior management and the Board of Directors

The reporting system on operational, reputational and ICT risks is an essential pillar of the governance and risk management framework, ensuring the availability of clear, timely and consistent information to support strategic decisions and ensure compliance with supervisory regulations. The process is designed to provide corporate and supervisory bodies with a comprehensive representation of the risk profile, ensuring transparency and compliance with the approved Risk Appetite Framework. The reporting scope includes operational and reputational risks, ICT and security risks, as well as risks related to outsourcing of business functions and ICT services provided by third parties. The reporting structure is articulated according to the recipients and the level of detail required: operational reports, prepared on a monthly or quarterly basis and addressed to the risk takers units, allow the monitoring of operational limits and the risk profile of management, promptly activating the appropriate escalation processes and treatment plans in the event of deviations. Quarterly reports are prepared for senior management and corporate bodies, which include analyses of specific phenomena and monitoring of the various Key Risk Indicators relating to operational, reputational or IT risks, in order to detect emerging vulnerabilities, trigger escalation processes and stimulate mitigation actions.

For the Board of Directors, the main summary document is the Tableau de Bord, drawn up on a quarterly basis, which presents in aggregate form the results of measurements on the various risks and verifies compliance with the risk appetite and tolerance thresholds. To complete the process, there are annual reports for approval or reporting by the Board of Directors or the CEO, including the annual ICT and security risk report, reports on operational and security risks in payment services, reports on risks related to outsourcing and ICT services provided by third parties, as well as the Risk Self Assessment for the prospective assessment of operational and reputational risks and the Model Risk Self Assessment on model risk.

The objective of reporting is to ensure effective and proactive monitoring of risks, providing an integrated and timely view of their progress, reporting any deviations from tolerance thresholds and facilitating the adoption of corrective measures. This approach enhances operational and ICT resilience, supports the continuity of critical services and ensures compliance with legal and regulatory requirements, consistent with supervisory expectations and market standards.

11.1.5. Operational risk mitigation mechanisms

The operational, ICT, and security risk mitigation phase is achieved through the identification and implementation of interventions aimed at preventing and reducing exposure to risks. Mitigating actions are assessed and, where necessary, triggered on the basis of evidence from monitoring activities and second-level controls, as well as in the event that the pre-set thresholds for risk indicators are exceeded.

In the presence of significant anomalies or deviations, specific escalation processes are activated, involving the relevant corporate bodies and functions. These processes make it possible to assess the most appropriate corrective actions, taking into account the nature of the deviation and the severity of the event. Following this assessment, risk treatment plans are drawn up, defining the measures to be taken, timeframes and operational responsibilities.

The implementation of mitigation actions is in fact the responsibility of the first-level structures (risk takers), which are responsible for the direct management of operational processes and activities. As part of its second-level control role, the Risk Management function ensures the monitoring of the measures implemented and their consistency with the acceptable level of risk and the Group's management policies.

Mitigation policies are also linked to the Risk Appetite Framework (RAF), which defines risk appetite and risk tolerance limits. Deviations from the limits set by the RAF are analysed and reported to the governing bodies

through periodic reporting flows. This information allows the competent bodies to assess the adequacy of the measures taken and, if necessary, to decide on further corrective action.

11.1.6. Quantitative information

Table 65– Template EU OR1: operational risk losses

		a	b	c	d	e	f	g	h	i	j	k
		Tot	Ten-year average									
Use of the 20,000 Euro threshold												
1	Total amount of operational risk losses net of recoveries (no exclusions)	6	10	1	10	7	11	11	10	16	6	9
2	Total number of operational risk losses	32	29	27	63	38	45	49	35	40	32	39
3	Total amount of operational risk losses excluded	-	-	-	-	-	-	-	-	-	-	-
4	Total number of operational risk events excluded	-	-	-	-	-	-	-	-	-	-	-
5	Total amount of operational risk losses net of recoveries and net of excluded losses	-	-	-	-	-	-	-	-	-	-	-
Use of the 20,000 Euro threshold												
6	Total amount of operational risk losses net of recoveries (no exclusions)	5	9	0	8	6	9	10	9	19	5	8
7	Total number of operational risk losses	9	12	7	24	14	14	20	14	16	16	15
8	Total amount of operational risk losses excluded	-	-	-	-	-	-	-	-	-	-	-
9	Total number of operational risk events excluded	-	-	-	-	-	-	-	-	-	-	-
10	Total amount of operational risk losses net of recoveries and net of excluded losses	-	-	-	-	-	-	-	-	-	-	-

For the purposes of compiling Table EU OR1, the Institute also included operational risk events related to the illimity Group. For such positions, the historical Loss Data Collection does not contain the original annual accounting movements, but only the overall loss information at the individual event level. Consistent with the EBA RTS on operational losses, the annual reconstruction of the relevant amounts was carried out by means of a proxy, performing a management analysis of changes over time, using the descriptive information available in the Loss Data Collection history. The Institute therefore points out that the values presented in Table OR1 incorporate elements reconstructed on a management basis, and must be interpreted in light of the aforementioned information limitations.

Table 66 – Template EU OR2: Indicator of activities, components and sub-components

Business Indicator (BI) and sub-components		a	b	c	d
		31.12.2025	31.12.2024	31.12.2023	Average value
1	Interest, lease and dividend component (ILDC)				472
EU 1	ILDC relating to the individual consolidated institution/group (excluding entities referred to in Article 314(3))				472
1a	Interest income and income from lease contracts	1,090	1,275	1,198	1,188
1b	Interest expenses and charges from lease contracts	601	710	550	620
1c	Total assets/assets component	19,793	20,887	19,396	20,025
1d	Dividend income/dividend component	34	13	16	21
2	Services component (SC)				256
2a	Revenues related to commissions and fees	201	216	208	209
2b	Expenses related to commissions and fees	120	63	63	82
2c	Other operating revenues	48	42	50	47
2d	Other operating expenses	25	21	49	31
3	Financial component (FC)				69
3a	Net profit or net loss applicable to the trading book (TB)	10	2	2	5
3b	Net profit or net loss applicable to the banking book (BB)	85	77	32	64
EU 3c	Approach used to determine the limit between TB and BB (prudential boundary approach (PBA) or accounting approach)				Accounting approach
4	Business Indicator (BI)				796
5	Business Indicator Component (BIC)				96

Disclosure on BI:

		a
6a	BI before discontinued operations excluded	796
6b	Reduction of BI due to discontinued activities excluded	-
EU 6c	Impact of mergers/acquisitions on BI	182

Table 67 – Template EU OR3: own funds requirements for operational risk and risk exposure amounts

		a
1	Business Indicator Component (BIC)	96
EU 1	Own funds requirements (OROF) calculated according to the alternative standardised approach (ASA) in accordance with Article 314(4)	-
2	Not applicable	
3	Minimum Own Funds Requirements for Operational Risk (OROF)	96
4	Operational Risk Exposure Amounts (REA)	1,194

12. Interest rate risk on the Banking Book and credit spread risk on the Banking Book

12.1. Interest rate risk on the Banking Book

12.1.1. Exposure to interest rate risk on positions not included in the trading book

12.1.1.1 The interest rate risk management process on the banking book

The interest rate risk on the banking book is a transversal risk that affects all the Group companies and whose management is centralised at the Parent Company. The assumption of significant interest rate risks is in principle unrelated to the management of the Bank and the Group.

Exposure to this risk is analysed through the sensitivity of the net interest income and the economic value to changes in interest rates. The analyses regarding the sensitivity of the net interest income are used at management level to verify the positioning of the Group in the short term, while the economic value approach is by its nature of medium to long term relevance.

The measurement of interest rate risk on the banking book is carried out using the metrics of net interest income (NII) and economic value (EVE), which are the benchmark measures for assessing risk sensitivity. These metrics are calculated monthly and used for management and regulatory risk monitoring purposes.

Interest rate risk monitoring is also completed by a series of risk indicators that are verified and reported quarterly in the group's periodic reporting addressed to top management. The results of the measurements constitute the input for the adoption of any mitigation actions to hedge interest rate risk, consistent with the pre-established limits and thresholds.

The corporate area appointed to guarantee the rate risk management is Capital Markets, which, in line with the risk appetite established, defines what action is necessary to pursue this. The Risk Management function is responsible for proposing the risk appetite, identifying the most appropriate risk indicators and monitoring the relevant performance of the assets and liabilities in connection with the pre-set limits. Top Management makes annual proposals to the Bank Board as to the policies on lending, funding and the management of interest rate risk, as well as suggesting appropriate actions by which to ensure that operations are carried out consistently with the risk policies approved by the Bank.

The interest rate risk position is subject to periodic reporting to the Bank's Board of Directors both as part of the quarterly *Tableau de Bord* prepared by the Risk Management function for top management, and in terms of specific monthly reporting.

For the purposes of the business assessment of capital adequacy, Class 2 banking groups, and therefore our Banca Ifis Group, are required to establish adequate measurement, control and mitigation systems to assess the interest rate risk on the banking book, in terms of changes in economic value and the net interest income.

In the course of 2024, Circular 285 was updated, transposing EBA Guideline 2022/14, and introducing the requirement to also monitor changes in net interest income (now expressly subject to a specific SOT requirement). In 2024, the Bank implemented an internal monitoring system, already in use for management purposes, now in use for monitoring interest rate risk also for regulatory purposes, in line with regulatory requirements.

The interest rate risk falls under the category of second-pillar risks. The guidelines on the assumption and monitoring of risk are laid out on a Group level in the "Group Banking Book Interest Rate and Credit Spread Risk Management Policy", which also indicates, for the purpose of a more rigorous and detailed representation of the process activities, the metrics used for the measuring and monitoring of the risk in question. Monitoring is carried out both at the consolidated level and, where applicable, at the level of individual Group companies.

12.1.1.2 The interest rate risk mitigation strategy on the banking book

In terms of breakdown of the balance sheet with reference to the types of risk in question, in respect of the liabilities, the main funding source is still the on-line savings accounts and the current accounts (Rendimax and illimityBank.com), structured into the technical forms of fixed-rate customer deposit accounts for the restricted component and the non index-linked variable rate that can be unilaterally revised by the Group in respect of the rules and contracts, for the technical forms of unrestricted demand and on-call current accounts. The other main components of funding concern fixed-rate bond funding, variable-rate securitisation operations, repurchase agreements at both fixed and variable rate and loans with the Eurosystem (referred to as LTRO and MRO) at variable rates.

As for the assets, loans to customers still largely have floating rates as far as both trade receivables and corporate financing are concerned.

As for the operations concerning distressed retail loans carried out by the subsidiaries Ifis Npl Investing and Ifis Npl Servicing, the first is characterised by a business model focused on acquiring receivables at prices lower than their nominal amount, there is a potential interest rate risk associated with the uncertainty about when the receivables will be collected.

At 31 December 2025, the comprehensive bond portfolio mainly comprises government securities for a percentage of 87%; the modified average duration and average maturity of the portfolio are respectively 4,1 years and 5,3 years.

A number of derivative positions are, however, recognised on these securities under hedge accounting, aimed at reducing the portfolio interest rate risk (micro fair value hedge). Therefore, the effective average duration of the portfolio, including derivatives, at 31.12.2025 was 2.3 years. The effect of said hedge accounting transactions amounted to 129.3 million Euro, and resulted in a reduction of the interest rate risk value (measured on the 'Parallel Up' SOT scenario) of 7.2%. These transactions, in addition to the active management of the securities portfolio, are examples of activities implemented by the Group to mitigate interest rate risk.

12.1.1.3 Analysis of results

The Banking Group, for the measurement of the interest rate risk related to the "banking book", uses the Ermas suite which, in full evaluation, estimates the impact on both the Economic Value and the net interest income of the regulatory scenarios provided for in Bank of Italy Circular 285/2013.

In particular, with regard to net interest income, the risk measurement is calculated over a time horizon of 12 months and under a 'constant balance sheet' assumption, i.e. assuming the 'rolling' of asset and liability positions maturing in the period of analysis and therefore without assumptions of 'new business'. The measurement is structured as a comparison between the interest margin in the realised scenario (based on the term structure of rates at the date of analysis) and that calculated in the stressed scenario, according to the regulatory interest rate shock scenarios envisaged by the EBA Guidelines on IRRBB. The metric is then adjusted for additional components, such as 'basis risk' and 'market value change'.

The calculation of the risk referred to the Economic Value is carried out by comparing the financial statements values that would occur in 12 months' time in the presence of both a baseline scenario and a stressed scenario (also in this case using the EBA regulatory scenarios on interest rates, broken down into two scenarios of parallel curve movement, two scenarios of curve rotation and two scenarios of short-term rate shocks), assuming a run-off type of financial statements assumption, whereby existing items are neither renewed nor replaced by new transactions. Finally, the 'option risk' component is taken into account in the calculation of the economic value.

It should be noted that the Ermas suite was enriched by a behavioural model for estimating stocks and flows of certain technical forms qualified as Demand Items, where it was possible to develop a statistically

significant model. For technical forms for which it was not possible to develop a statistically robust model, the assumptions set out in Bank of Italy Circular 285/2013 were used. This behavioural model consists of a 'Rates' model, which is designed to estimate how much contractual rates change in the presence of changes in market rates, and a 'Volumes' model, which describes, also as a function of the findings of the 'Rates' model, what the 'core' share of these deposits is and what the relative gap profile is over the time horizon. From this information it is then possible to calculate what the average maturity of the Demand Items is. As of 31/12/2025, the model estimated an average baseline maturity of Demand Items of 1.6 years.

The average and maximum maturity of core deposits, for the modelled items, is summarised in the table below.

Table 68– Average and maximum maturity of core deposits for modelled items

Counterparty Type	Detail	Average Maturity	Maximum Maturity
Retail counterparties	Total	1.92 years	13.8 years
Retail counterparties	"of which" core	4.96 years	13.8 years
Non-financial wholesale counterparties	Total	0.42 years	13.8 years
Non-financial wholesale counterparties	"of which" core	2.61 years	13.8 years

A brief overview of the measurements developed during the quantification of the internal capital absorbed by interest rate risk, in terms of both changes in economic value and net interest income, at 31 December 2025, is 35,380 thousand Euro.

Below are the interest rate risk values at 31/12/2025, compared with those as at the previous date of 31/12/2024.

12.1.1.4 Quantitative information

Table 69 – Template EU IRRBB1: Interest rate risk of non-trading book activities

Supervisory shock scenario		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	-263,944	-203,385	16,722	25,421
2	Parallel down	345,389	278,570	-18,080	-26,132
3	Steeper	-91,876	-84,400	-	-
4	Flattener	51,556	56,385	-	-
5	Short rates up	-38,597	-16,311	-	-
6	Short rates down	35,616	15,522	-	-

12.2. Credit spread risk on the banking book

12.2.1. Exposure to credit spread risk on positions not included in the trading book

12.2.1.1 The credit spread risk management process on the banking book

The credit spread risk on the banking book is a transversal risk that affects all the Group companies and whose management is centralised at the Parent Company. The assumption of a significant level of said risk is in principle unrelated to the management of the Bank and the Group.

Bank of Italy Circular No. 285/2013 in Update No. 44 of 21 December 2023 required banking institutions to adopt credit spread risk measurement systems for the non-trading book. Unlike what is required for interest rate risk, however, no clear indication is given as to how this measurement is to be done, nor how it is to be calculated under stress assumptions.

The Bank has therefore defined its own framework for measuring the risk in question, the results of which are the subject of periodic reporting to the Bank's Board of Directors both in the quarterly Tableau de Bord prepared by the Risk Management function for the company's top management, and in terms of specific monthly reporting.

The Risk Management function calculates the exposure to credit spread risk on the banking book through a sensitivity analysis of the interest margin and economic value to changes in credit spreads. The analyses regarding the sensitivity of the net interest income are used at management level to verify the positioning of the Group in the short term, while the economic value approach is by its nature of medium to long term relevance.

The credit spread risk of the banking book falls under the category of second-pillar risks. The guidelines on the assumption and monitoring of risk are laid out on a Group level in the “Group Banking Book Interest Rate and Credit Spread Risk Management Policy”, which also indicates, for the purpose of a more rigorous and detailed representation of the process activities, the metrics used for the measuring and monitoring of the risk in question.

12.2.1.2 Analysis of results

The Banking Group, for the measurement of credit spread risk related to the 'banking book' for management purposes, uses the Ermas suite which, in full evaluation, estimates the impact on both Economic Value and net interest income of internally defined scenarios relating to a potential widening and narrowing of market credit spreads.

In particular, with regard to net interest income, the risk measurement is calculated over a time horizon of 12 months and under a 'constant balance sheet' assumption, i.e. assuming the 'rolling' of asset and liability positions maturing in the period of analysis and therefore without assumptions of 'new business'. The calculation of risk with reference to Economic Value is carried out under a static assumption, i.e. with constant volumes.

The quantification of Internal Capital absorbed deriving from the credit spread risk of the banking book at 31 December 2025 was 45,715 thousand Euro.

13. Remuneration

13.1. Group remuneration and incentive system

13.1.1. Information regarding the bodies responsible for supervising remuneration

The main bodies and individuals of the Parent company involved in the preparation, approval and possible revision of the remuneration and incentive policy are: the Shareholders' Meeting, the Board of Directors, the Remuneration Committee, the CEO, the General Management, Human Resources, the Control Functions and the Planning Function.

It should be noted that, until the definition of the new Board of Directors of illimity Bank, which took place on 25 September 2025, illimity Bank also had an autonomous Remuneration Committee (supported by the independent external advisor WTW and which, during 2025, met 7 times), which also performed the functions of the Remuneration Committee for illimity SGR, renamed Fürstenberg SGR as of 18 December 2025.

13.1.2. Information regarding the characteristics and structure of the remuneration system for key personnel

The structure of the variable component of remuneration must in any case be compatible with the risk analysis undertaken by the Banking Group and, to be sustainable, it must be compatible with the levels of capital and liquidity in the medium/long-term.

In line with the Supervisory Provisions, the Banca Ifis Group cannot be classified as a "bank of smaller size or operational complexity" and is therefore required to apply the entire discipline "proportionally", i.e. taking into account the characteristics and size as well as the riskiness and complexity of the activity carried out.

However, the Group is not required to apply the above more detailed rules of Section III of the Supervisory Provisions to Key Personnel whose annual variable remuneration meets the following two conditions:

- it does not exceed 50,000 Euro;
- it does not represent more than one third of the total annual remuneration.

In accordance with the Supervisory Provisions, the Group defines:

- **Materiality threshold:** the variable remuneration of Key Personnel that exceeds the amount of 50,000 Euro and represents more than one-third of the total annual remuneration.
- **"Particularly high" variable remuneration amount:** 25% of the average total remuneration of Italian high earners, as resulting from the most recent report published by the EBA and 10 times the average total remuneration of the Group's employees.
- **Deferral period and deferred portions:** vesting to which variable remuneration is subject, in order to take into account the development over time of the risks assumed by the Group. In line with the Supervisory Provisions:
 - the variable component, where it exceeds the materiality threshold (and is not of a particularly high amount) is subject to deferment for a portion equal to 40%, for a period of 4 years;
 - the variable component of a particularly high amount is subject to deferment for a portion equal to 60% for a period of 5 years.
- **Financial instruments:** the Supervisory Provisions provide that the variable remuneration subject to deferral (pursuant to the preceding point) is balanced for a quota of at least 50% in financial instruments, by which is meant, in the Banca Ifis Group, the shares of the Parent Company. In the case of senior figures and particularly high amounts of variable remuneration, it is required that more than 50% of the deferred portion be composed of financial instruments.

- Retention period: the period during which there is a ban on selling shares, set at 1 year.

The methods of payment of variable remuneration (short-term incentive scheme) for Key Personnel adopted by the Banca Ifis Group are summarised below:

	Upfront	Differimento
Variabile pari o inferiore alla soglia di materialità	100% cash	
Variabile superiore alla soglia di materialità e non di importo particolarmente elevato	<p>60% upfront, di cui:</p> <ul style="list-style-type: none"> ▪ 50% (ovvero il 30% della remunerazione variabile complessiva) in azioni Banca Ifis, che saranno esercitabili al termine del periodo di retention) di un 1 anno ▪ 50% (ovvero il 30% della remunerazione variabile complessiva) erogato cash 	<p>40% differito in 4 anni a decorrere dall'anno successivo all'anno di maturazione della quota up-front, di cui:</p> <ul style="list-style-type: none"> ▪ 50% (ovvero il 20% della remunerazione variabile complessiva) in azioni Banca Ifis, che saranno esercitabili al termine dell'ulteriore periodo di retention di un 1 anno ▪ 50% (ovvero il 20% della remunerazione variabile complessiva) cash, oggetto di rivalutazione annuale al tasso legale tempo per tempo vigente
Variabile superiore alla soglia di materialità e di importo particolarmente elevato	<p>40% upfront, di cui:</p> <ul style="list-style-type: none"> ▪ 50% (ovvero il 20% della remunerazione variabile complessiva) in azioni Banca Ifis, che saranno esercitabili al termine del periodo di retention) di un 1 anno ▪ 50% (ovvero il 20% della remunerazione variabile complessiva) erogato cash 	<p>60% differito in 5 anni a decorrere dall'anno successivo all'anno di maturazione della quota up-front, di cui:</p> <ul style="list-style-type: none"> ▪ 55% (ovvero il 33% della remunerazione variabile complessiva) in azioni Banca Ifis, che saranno esercitabili al termine dell'ulteriore periodo di retention di un 1 anno ▪ 45% (ovvero il 27% della remunerazione variabile complessiva) cash, oggetto di rivalutazione annuale al tasso legale tempo per tempo vigente

With reference to the illimity sub-group, the modalities for deferring the variable component are slightly different from those of the parent company, within the regulatory framework of reference.

13.1.3. Description of how current and future risks are factored into remuneration processes

Access to the variable portion for all personnel is subject to compliance with the conditions for access (so-called "gate") provided for by the following indicators measured at year-end:

- on the basis of a measure of risk-adjusted profitability, such as RORAC (return on risk-adjusted capital) defined as the ratio between Net Profit and Capital absorbed by first-pillar risks (i.e. 8% Risk Weighted Assets (RWA) of Pillar 1), the [RORAC/RORAC*] indicator, where RORAC* is the RORAC approved by the Board of Directors for the financial year of reference at the same time as the submitted annual business plan/budget, must be no less than 80%. This indicator allows profits to be weighted by the underlying risks in terms of regulatory capital absorbed.
- related to the tolerance level, greater than the regulatory minimum equal to 100%, of the Group's short term liquidity indicator - Liquidity Coverage Ratio (LCR), recorded quarterly in the year of reference. The tolerance level is established every year in the Banca Ifis Group's Risk Appetite Framework (RAF) at consolidated level, in accordance with prudential supervisory regulations in force.
- related to the tolerance level, greater than the regulatory minimum equal 100%, for the Group's medium-long term liquidity indicator - Net Stable Funding Ratio (NSFR). The tolerance level is established every year in the Banca Ifis Group's Risk Appetite Framework (RAF) at consolidated level, in accordance with prudential supervisory regulations in force.
- The consolidated Total Own Funds Capital Ratio above the tolerance threshold provided by the current RAF and thus, by construction exceeding the Overall Capital Requirement announced by the Supervisory Body as part of the "Capital Decisions" following the periodic Supervisory Review and Evaluation Process (SREP).

Failure to meet one of these conditions will result in variable pay not being awarded.

Without prejudice to the opening of the access gates, in the presence of adverse scenarios, exceptional and unforeseeable situations, as well as in the event of a 20% lower-than-expected Gross Profit figure for the

Consolidated Financial Statements, the Board of Directors may assess - on the proposal of the Remuneration Committee, subject to the opinion of the Risk Committee - a redefinition of the amounts of variable remuneration for the various categories of staff, with a consequent pro-rata reduction.

With reference to the illimity sub-group, the variable component, in general, is subject to the verification of access/activation conditions (Gate) that require the maintenance of capital stability and liquidity ratios at least equal to the tolerance level set in the RAF, in addition to specific conditions and objectives defined for individual incentive plans.

The MBO 2025 short-term incentive scheme is based on a bonus pool approach. The link between profitability, risk and remuneration is ensured through the direct link between the Bonus Pool and the performance results of the company and each business/support Division, measured through the use of pre-bonus Profit Before Tax (PBT) Funding KPIs and Return on Risk Weighted Assets & RWA-Equivalent (RORWA&E) at the Divisional level, which allows the amount of the Bonus Pool to be calibrated to the actual performance of each Division. Furthermore, the division of the overall Bonus Pool between the different Divisions/Departments of the Group allows for a fair distribution of the available financial resources based on the contribution of each illimiter and the performance of the relevant Division/Department.

In addition, the Board of Directors has the power to increase the Bonus Pool up to a maximum of 20% or reduce it to zero, taking into consideration the results of the Assessments carried out, separately, by the Divisional Risk and CFO (Risk and Financial Assessment), which through the application of risk and financial assessment criteria, allow the revision of the final amount of the Divisional Bonus Pool.

With regard to risk assessment, the Divisional Bonus Pool may be increased, confirmed or reduced, based on Risk assessment of trends in relevant risk profiles, conducted by Risk, as part of the Risk Appetite Framework, at the end of the period.

With regard to the financial assessment, the overall Bonus Pool may be increased, confirmed or reduced, based on the assessment made by the CFO through an analysis of three indicators (i) Return on Average Equity; (ii) Cost/Income ratio; (iii) Gross Organic NPE ratio, and which could result in an increase in the pool of up to 10% or reduce it by up to 10%.

The maximum increase following the two assessments by the Risk and the CFO is 20% of the amount of the Bonus Pool.

13.1.4. The ratios between the fixed and variable components of remuneration established in accordance with Article 94(1)(g) of the CRD.

The remuneration of Key Personnel is made up of fixed annual remuneration (RAL) and a variable component defined in advance (target) for each individual, in relation to the role held. The limit on the fixed/variable ratio is 1:1, with the exception of:

- the Chief Executive Officer for which the Shareholders' Meeting held on 21 December 2021 approved the definition, with effect from FY 2022, of a ratio between the variable and fixed components of remuneration of a maximum of 1,5:1 in compliance with that permitted by Title IV, Chapter 2, Section III of the Supervisory Provisions;
- the Heads of the control functions (Risk Management, Compliance, Internal Audit, Anti-Money Laundering) for whom the remuneration package is structured with a prevailing fixed component and a limited variable part that may not exceed 33% of the fixed remuneration.

When determining the remuneration of Key Personnel belonging to control functions, incentive mechanisms linked to economic results are in any case excluded. With regard to the Manager charged with preparing the company's financial reports and the Head of the Human Resources Department, variable remuneration is nevertheless limited.

In compliance with the regulatory provisions in force, for 2025, illimity has defined the maximum incidences between the variable and fixed components of remuneration for the different categories of personnel, as follows:

- for the Chief Executive Officer and the remaining Top Management of the Group: 200%;
- for the Group's Key Personnel belonging to Business Functions: 200%;
- for the Group's Key Personnel belonging to Support Functions: 150%;
- for Key Personnel belonging to the Corporate Control Functions: 33%;
- for the remaining personnel: variable remuneration is in any case limited to 200% for business functions and 100% for the remaining functions.

Furthermore, it should be noted that - in line with regulatory provisions - the variable remuneration of the staff of the Corporate Control Functions, the Human Resources function and the Manager charged with preparing the company's financial reports remains in any case limited; for this reason, it is envisaged that, for these figures, the fixed remuneration prevails over the variable remuneration.

13.1.5. Description of how the institution seeks to link the performance noted during the evaluation period to compensation levels.

Defined on an annual basis is a Short Term Incentive Plan (STI), the payment of which - subject to the opening of the access gates - is linked to the achievement of specific qualitative and quantitative performance objectives, assigned to the recipients of the plan. Goals are structured within an individual performance scorecard.

The performance scorecard includes a predefined number of indicators; each indicator is given a weight in percentage terms on the total of at least 10% to ensure the significance of the objective and no more than 30% to ensure an adequate weighting of the multiple objectives.

The variable remuneration accrues according to a result curve based on the levels of achievement of the objectives; the result obtained by each KPI determines a weighted score, on a recognition curve varying between a minimum and a maximum achievable; the sum of the weighted scores obtained corresponds to the performance achieved, in proportion to which, only if at least equal to a prefixed minimum score, the amount of the incentive is quantified; the latter cannot, in any case, exceed a prefixed maximum level.

Finally, it is expressly forbidden for individual employees to engage in personal hedging or insurance strategies on remuneration or other aspects that may alter or affect the effects of alignment with the company risk inherent in the remuneration mechanisms envisaged.

13.1.6. Description of how the institution seeks to adjust compensation to reflect long-term performance.

With regard to ex-post correction mechanisms, the following should be noted.

The deferred variable component is subject to malus mechanisms which reduce, up to zero, the amount previously determined before payment.

The ex post correction mechanisms cannot lead to an increase in the initially recognised variable remuneration or to the variable remuneration previously reduced or made null following the application of malus.

These mechanisms are based on specific ex ante defined criteria of an objective and subjective nature that are verified in each of the deferral years and thus prior to each disbursement of the deferred component.

The variable component is also subject to claw back mechanisms based on specific criteria that are verified in each of the three financial years following the determination of the variable component (accrual period),

with the exception of Key Personnel for whom this verification must be carried out in each of the next five financial years closed.

Lastly, it is expressly forbidden for individual employees to engage in personal hedging or insurance strategies on remuneration or other aspects that may alter or affect the effects of alignment with the company risk inherent in the remuneration mechanisms envisaged.

In addition, illimity Bank has Share Ownership Guidelines for Executives with Strategic Responsibilities.

13.1.7. The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR.

Variable remuneration in addition to short-term and long-term incentive schemes includes:

- the "company productivity bonus" or "variable performance bonus";
- one-off awards (or spot bonuses);
- other one-off awards and/or contests;
- stability pacts or retention bonuses;
- entry bonuses;
- non-compete agreements;
- notice extension agreements.

13.1.8. At the request of the relevant member state or authority, the total compensation for each member of the governing body or senior management.

Please refer to Table REM 1.

13.1.9. Information on whether the institution benefits from a derogation under Article 94(3) of the CRD, in accordance with Article 450(1)(k) of the CRR.

Derogation based on (b), with reference to the materiality threshold for 2025:

- no. of members of Key Personnel benefiting from the exemption: 18
- total remuneration: 3.1 million Euro:
 - of which fixed remuneration: 2.4 million Euro
 - of which variable remuneration: 0.7 million Euro

13.1.10. Quantitative information

Table 70 – Template EU REM1: Remuneration awarded for the financial year

Figures in Euro		MB - Supervisory function	MB - Management function	Other senior management	Other identified staff	
1	Fixed remuneration	Number of identified staff	34	2	15	67
2		Total fixed remuneration	3,580,949	1,890,986	4,905,778	13,071,595
3		Of which: cash-based	3,580,949	1,744,288	4,706,825	12,364,379
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				

EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms		146,698	198,953	707,215
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	34	2	15	67
10		Total variable remuneration		694,325	1,003,387	3,303,286
11		Of which: cash-based		326,333	527,025	2,020,152
12		Of which: deferred		187,468	180,680	500,545
EU-13a		Of which: shares or equivalent ownership interests		367,992	451,701	1,251,364
EU-14a		Of which: deferred		229,127	180,680	500,545
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms			24,662	31,770
16		Of which: deferred				
17	Total remuneration (2 + 10)		3,580,949	2,585,311	5,909,164	16,772,620

Table 71 – Template EU REM2: Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		MB - Supervisory function	MB - Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	0
2	Guaranteed variable remuneration awards - Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	0
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	-	-	-	0
7	Severance payments awarded during the financial year - Total amount	-	-	-	-
8	Of which paid during the financial year	-	-	-	-
9	Of which deferred	-	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	-	-

Table 72 – Template EU REM3: Deferred remuneration

Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
Figures in Euro								
1	MB - Supervisory function	-	-	-	-	-	-	-
2	Cash-based	-	-	-	-	-	-	-
3	Shares or equivalent ownership interests	-	-	-	-	-	-	-

Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
Figures in Euro								
4	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-
5	Other instruments	-	-	-	-	-	-	-
6	Other forms	-	-	-	-	-	-	-
7	MB - Management function	-	-	-	-	-	-	-
8	Cash-based	854,881	213,600	641,281	120,000		93,600	
9	Shares or equivalent ownership interests	911,708	0	911,708	-	-	0	911,708
10	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-
11	Other instruments	-	-	-	-	-	-	-
12	Other forms	-	-	-	-	-	-	-
13	Other senior management	-	-	-	-	-	-	-
14	Cash-based	985,389	432,166	553,223	168,000		264,166	
15	Shares or equivalent ownership interests	623,389	51,500	571,889	-	-	51,500	571,889
16	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-
17	Other instruments	-	-	-	-	-	-	-
18	Other forms	-	-	-	-	-	-	-
19	Other identified staff	-	-	-	-	-	-	-
20	Cash-based	2,310,699	891,330	1,419,369	38,000		853,330	
21	Shares or equivalent ownership interests	1,869,499	191,000	1,678,499			191,000	1,678,499
22	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-
23	Other instruments	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-
25	Total amount	7,555,565	1,779,596	5,775,969	326,000		1,453,596	3,162,096

Table 73 – Template EU REM4: Remuneration of 1 million Euro or more per year

Figures in Euro	Number of members of identified staff, who are high earners as set out in Article 450(i) CRR,
1 000 000 to below 1 500 000	
1 500 000 to below 2 000 000	
2 000 000 to below 2 500 000	1

Figures in Euro		Number of members of identified staff, who are high earners as set out in Article 450(i) CRR,
4	2 500 000 to below 3 000 000	
5	3 000 000 to below 3 500 000	
6	3 500 000 to below 4 000 000	
7	4 000 000 to below 4 500 000	
8	4 500 000 to below 5 000 000	
9	5 000 000 to below 6 000 000	
10	6 000 000 to below 7 000 000	
11	7 000 000 to below 8 000 000	

Table 74 – Template EU REM5: Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (key personnel) (1 of 2)

Figures in Euro		Management body remuneration		
		MB - Supervisory function	MB - Management function	Total MB
1	Total number of identified staff	34	2	36
2	Of which: members of the MB	34	2	36
3	Of which: other senior management			
4	Of which: other identified staff			
5	Total remuneration of identified staff	3,580,949	2,585,311	6,166,260
6	Of which: variable remuneration		694,325	694,325
7	Of which: fixed remuneration	3,580,949	1,890,986	5,471,935

Table 75 – Template EU REM5: Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (key personnel) (2 of 2)

Figures in Euro		Business areas					Total	
		Investment Bank	Retail banking services	Asset management	Corporate functions	Independent internal control functions		All other
1	Total number of identified staff	4	5		27	7	39	118
2	Of which: members of the MB							
3	Of which: other senior management	1	1		4		9	
4	Of which: other identified staff	3	4		23	7	30	
5	Total remuneration of identified staff	1,041,815	2,011,521		8,326,313	1,806,177	9,495,959	28,848,044
6	Of which: variable remuneration	41,815	310,000		1,683,838	239,700	2,031,319	5,000,997
7	Of which: fixed remuneration	1,000,000	1,701,521		6,642,475	1,566,477	7,464,639	23,847,047

14. Encumbered and Unencumbered Assets

14.1. Encumbered and unencumbered assets

In line with the regulatory framework set out in Article 443 of Regulation (EU) No, 575/2013 (CRR) and the EBA regulations, the Group provides disclosures on restricted and unrestricted assets, broken down by asset type,

An asset is considered as "encumbered" if it has been assigned as collateral or, for any reason, has been used to cover the credit received and therefore cannot be freely used, On the other hand, the portion of assets in excess of the credit received - technically defined as over collateralisation - is not considered to be encumbered,

The Asset Encumbrance Ratio represents, at Group level, the ratio between the portion of committed balance sheet assets inclusive of collateral received and reused and, the total balance sheet assets (encumbered and unencumbered) including the collateral received (encumbered and unencumbered), While the objective of the Asset Encumbrance Ratio is to provide information to the public and creditors on the level of the Group's committed, and therefore unavailable, assets, it also provides a valuable indication of an institution's funding strategy and its prospective ability to raise, at reasonable prices, through secured funding, Conversely, and more generally, the indicator provides a summary measure of the health of the unsecured market, Properly analysed, and if accompanied by indications of the duration of the constraint, it can provide further useful information on refinancing risk (technically rollover risk), liquidity risk and operational risk,

The risk connected to a high quota of encumbered assets determines:

- the reduction in the share of assets available to creditors and unsecured depositors;
- the increase in funding and liquidity risk, as the share of assets involved reduces the possibility of obtaining new secured deposits and, in the case of high-quality assets, the amount of available liquidity reserves,

The main operations for which the Group binds part of its financial assets fall within the following categories:

- deposit with the Bank of Italy as a mandatory reserve, for the portion that may still be due in each maintenance period;
- transactions in derivative contracts;
- debt securities pledged as collateral for soft loans, received from the European Investment Bank;
- debt securities used as collateral in repurchase agreements;
- debt securities given as a guarantee to the Bank of Italy related to intraday advances;
- debt securities given as a guarantee to the European Central Bank for LTRO operations;
- eligible receivables for collateralisation with the Bank of Italy through the ABACO program;
- loans disbursed in part with Cassa Depositi e Prestiti funds and pledged as collateral;
- assets used for securitisation transactions,

To monitor the level of exposure to this risk the Group uses the so-called "asset encumbrance ratio",

The operational management of the risk related to the portion of encumbered assets is attributed to the Capital Markets Area,

To cover this type of risk, no internal capital is allocated; however, dedicated control activities are defined by the Bank's Risk Management function, These controls take the form of weekly stress tests on the value of the assets pledged as collateral for funding operations provided by the European Central Bank and are designed to verify the potential impact of their impairment in the context of liquidity risk,

In view of the importance of collateralised funding in 2025 and its expected importance in 2026 as well, the potential significance of the risk associated with the proportion of restricted assets is assessed as high, This is why, within the strategic planning process and definition of the Funding Plan, the Risk Management unit measures the prospective share of encumbered assets and assesses its overall level and its sustainability with respect to the market benchmark, by subjecting them also to stress tests based on the defined scenarios,

14.1.1. Quantitative information

Table 76 – Template EU AE1: Encumbered and Unencumbered Assets

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets		
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA	
010	Assets of the reporting institution	4,582	1,969			12,972	1,261		
030	Equity instruments	-	-	-	-	642	-	642	-
040	Debt securities	2,304	1,969	2,280	1,943	2,233	1,095	2,247	1,090
050	of which covered bonds	38	-	39	-	45	-	45	-
060	of which securitisations	141	-	141	-	604	-	622	-
070	of which issued by general governments	1,968	1,955	1,942	1,930	1,102	1,094	1,098	1,090
080	of which issued by financial corporations	314	-	316	-	1,040	-	1,073	-
090	of which issued by non-financial corporations	22	-	22	-	92	-	75	-
120	Other assets	2,278	-			10,103	125		

Restricted assets consist mainly of debt securities classified as EHQLA and HQLA, Unencumbered assets are concentrated in *Other Assets* and debt securities,

Table 77 – Template EU AE2: Collateral received and own debt securities issued

	Fair value of encumbered collateral received or own debt securities issued	Unencumbered			
		Fair value of collateral received or own debt securities issued available for encumbrance			
			of which EHQLA and HQLA		
130	Collateral received by the disclosing institution	20	-	41	-
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	20	-	41	-
170	of which covered bonds	-	-	-	-
180	of which securitisations	12	-	-	-
190	of which issued by general governments	-	-	-	-
200	of which issued by financial corporations	20	-	13	-
210	of which issued by non-financial corporations	-	-	-	-
220	Loans and advances other than demand financing	-	-	-	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or securitisations	39	-	64	-
241	Own covered bonds and securitisation issued and not yet pledged			-	-
250	TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	4,673	1,969		

Collateral received is mainly in the form of debt securities, while unencumbered collateral is of a smaller amount,

Table 78 – Template EU AE3: Sources of encumbrance

	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
010	Carrying amount of selected financial liabilities	4,137
		4,251

The sources of encumbrances consist mainly of financial liabilities

15. Crypto assets

15.1. Quantitative information

The EU CAE1 quantitative table is not presented because the Group, at the reporting date, does not engage in crypto-asset activities and, therefore, does not have any exposures attributable to this regulatory framework,

In the absence of exposures to crypto-assets, the quantitative disclosures in the EU CAE1 table are not applicable to the Group's perimeter and are not included in this disclosure,

16. Declaration by the Manager charged with preparing the company's financial reports

Pursuant to article 154 bis of Italy's "Consolidated Law on Financial Intermediation", the Manager charged with preparing the company's financial reports of Banca Ifis S.p.A., Massimo Luigi Zanaboni, declares that the accounting information contained in this "Public Disclosure at 31 December 2025 - Pillar III" corresponds to the company's accounting records, books and entries,

Venice, 12 March 2026

The Manager charged with preparing
the Company's financial reports
Massimo Luigi Zanaboni



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